

# Hospital Confinement Indemnity Insurance

Can you afford the  
out-of-pocket costs  
not covered by your  
health insurance?

# How will you cover all of your medical expenses?

*As major medical plans move toward larger deductibles and higher co-payments, you may be left with more gaps to fill.*

Colonial Life & Accident Insurance Company's Hospital Confinement Indemnity insurance plan can help you fill those gaps and help protect against those out-of-pocket expenses that occur when it comes to you or your family members' health care.

## *Benefits of this plan include:*

### ● **Wellness Benefit**

Pays \$50 for one of the wellness tests listed below. Pays one test per calendar year for employee-only coverage; or two tests per calendar year combined for family coverage. This benefit helps reimburse you for part of the expense of tests you may normally have each year.

Blood test for triglycerides  
Breast ultrasound  
CA 15-3 (blood test for breast cancer)  
CA 125 (blood test for ovarian cancer)  
CEA (blood test for colon cancer)  
Chest x-ray

Colonoscopy or virtual colonoscopy  
Fasting blood glucose  
Flexible sigmoidoscopy  
Hemoccult stool analysis

PSA (blood test for prostate cancer)  
Serum protein electrophoresis (blood test for myeloma)  
Serum cholesterol test for HDL and LDL  
Stress test on a bicycle or treadmill  
Thermography

### ● **Mammography Benefit**

Pays \$150 if a covered person receives a mammogram. Refer to the outline of coverage for the requirements of this benefit.

### ● **Pap Smear Benefit**

Pays \$70 if a covered person receives a pap smear or ThinPrep Pap test. This benefit is payable once per calendar year per covered person or more frequently if recommended by a physician.

To file your wellness claim, it is not necessary to complete a claim form. Call our toll-free Customer Service number at 800.325.4368.

## *The following benefits are payable due to a covered accident or covered sickness:*

### ● **Outpatient Surgical Procedure Benefit**

Pays a lump-sum benefit when a covered person requires a surgical procedure and is not confined to the hospital at the time of the surgery. The procedure must be performed in a hospital or an ambulatory surgical center. Refer to the outline of coverage for the calendar year maximum and the list of covered procedures.

### ● **Hospital Confinement Benefit**

Pays a lump-sum benefit if any covered person is confined. This benefit can help you pay for the deductibles associated with a hospital confinement.

### ● **Rehabilitation Unit Benefit**

Pays \$100 per day up to 15 days per confinement with no more than 30 days per calendar year if any covered person is transferred to a rehabilitation unit immediately after a period of hospital confinement.

### ● **Waiver of Premium Benefit**

Waives the premium for the policy and any attached riders once the named insured has been confined to a hospital for 30 continuous days. The premium is then waived as long as the confinement in a hospital or rehabilitation unit continues.

Based on a typical 2006 PPO plan design, the **typical American family of four would pay \$2,210** out of their own pocket through member cost-sharing.

Medical Index 2006, June 30, 2006



### Consider the following:

The United States spent nearly **\$2 trillion** on health care in 2005. Spread over the population, this amounts to about **\$6,697 per person.**

Health Care Costs,  
Kaiser Family Foundation, 2007

The average length of **hospital confinement** for adults under age 65 is almost **five days.**

Advance Data from Vital and Health Statistics,  
National Center for Health Statistics,  
"2004 National Hospital Discharge Survey,"  
May 4, 2006

Wouldn't you feel better knowing that **you or your family have the added protection** that Colonial Life can provide to help fill those unexpected gaps?

### With this plan:

- Benefits are paid directly to you, unless you specify otherwise.
- Your benefits are paid regardless of any other coverage you may have with other insurance companies.
- There is no lifetime maximum to any of the benefits under this policy.
- If you change jobs or leave your employer, you can take your coverage with you at no increase in premium.

## Benefit Worksheet

For use by Colonial Life Benefits Representative

Coverage: (check one)

- For you (employee only)
- For you and your spouse
- For you and your dependent children
- For you, your spouse and your dependent children

Flexible Benefit

Premium per Pay Period \$ \_\_\_\_\_

Monthly Premium \$ \_\_\_\_\_

**Learn more about these and all of the benefits Colonial Life has to offer at [coloniallife.com](http://coloniallife.com).**

*This coverage has exclusions and limitations that may affect benefits payable. Coverage type and benefits vary by state and may not be available in all states. See the outline of coverage within for complete details.*

*Applicable to policy form MB3000. This brochure is not complete without the corresponding outline of coverage form MB3000-O, including state variations where applicable, for example, MB3000-O-TX.*

**Colonial Life**  
1200 Colonial Life Boulevard  
Columbia, South Carolina 29210  
[coloniallife.com](http://coloniallife.com)

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*Colonial Life products are underwritten by Colonial Life & Accident Insurance Company, for which Colonial Life is the marketing brand.*

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# COLONIAL LIFE & ACCIDENT INSURANCE COMPANY

1200 Colonial Life Boulevard, P.O. Box 1365 Columbia, South Carolina 29202 (800) 325 - 4368

A Stock Company

## LIMITED BENEFIT HOSPITAL CONFINEMENT INDEMNITY INSURANCE

### OUTLINE OF COVERAGE (Applicable to Policy form MB3000-CA.)

**THIS IS A SUPPLEMENT TO HEALTH INSURANCE. IT IS NOT A SUBSTITUTE FOR HOSPITAL OR MEDICAL EXPENSE INSURANCE, A HEALTH MAINTENANCE ORGANIZATION (HMO) CONTRACT, OR MAJOR MEDICAL EXPENSE INSURANCE. THIS IS NOT MEDICARE SUPPLEMENT COVERAGE. If you are eligible for Medicare, review the Guide To Health Insurance for People with Medicare available from the company. Premiums vary depending on your level of coverage.**

**Read your policy carefully.** Your outline provides a very brief description of the important features of your policy. This is not an insurance contract and only the actual policy provisions will control. The policy sets forth in detail the rights and obligations of both you and us. It is, therefore, important that you READ YOUR POLICY CAREFULLY.

**Renewability.** Your policy is guaranteed renewable as long as you pay the premiums when they are due or within the grace period. The premium can be changed only if we change it on all policies of this kind in force in the state where the policy was issued.

**Limited Benefit Coverage.** Your policy does not provide coverage for basic hospital, basic medical-surgical or major medical expenses.

#### Benefits

**Hospital Confinement Benefit Amount:** \$\_\_\_\_\_ per confinement We will pay this benefit if any covered person incurs charges for and is confined due to a covered accident or covered sickness. The confinement to a hospital must begin while the policy is in force. We will pay this benefit once per confinement. If a covered person is confined and is discharged and confined again for the same or related condition within 90 days of discharge, we will treat this later confinement as a continuation of the previous confinement. If more than 90 days have passed between the periods of hospital confinement, we will treat this later confinement as a new and separate confinement.

#### **Outpatient Surgical Procedure Benefit**

**Tier 1 Surgical Procedures** \$\_\_\_\_\_ per covered procedure

**Tier 2 Surgical Procedures** \$\_\_\_\_\_ per covered procedure

**Calendar Year Maximum** \$\_\_\_\_\_ per covered person for all covered surgical procedures combined

We will pay this benefit if any covered person incurs charges for and requires a surgical procedure due to a covered accident or covered sickness, and he is not confined in a hospital at the time of the procedure. The procedure must be performed by a doctor in a hospital or ambulatory surgical center. We will pay this benefit once per covered outpatient surgical procedure. We will pay this benefit for only one outpatient surgical procedure performed at the same time even if caused by more than one accident or sickness. In that event, we will pay the benefit that has the highest dollar value. The surgical procedure must occur while the policy is in force.

*Ambulatory Surgical Center* means a place which:

- is equipped for surgical procedures performed by qualified physicians;
- provides anesthesia administered by a licensed anesthesiologist or licensed nurse anesthetist; and
- has written agreements with local hospitals to immediately accept patients who develop complications.

*Surgical Procedure* means the cutting into the skin or other organ to accomplish any of the following goals:

- |   |   |   |
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| • further explore the condition for the purpose of diagnosis; | • remove an obstruction;                          | • implant mechanical or electronic devices;   |
| • take a biopsy of a suspicious lump;                         | • reposition structures to their normal position; | • repair an area that has been injured or affected by trauma, overuse, or disease; or |
| • remove diseased tissues or organs;                          | • redirect channels;                              | • restore proper function.  |
| • remove diseased tissues or organs;                          | • transplant tissue or whole organs;              |   |

The following will not be considered a surgical procedure for the purposes of the policy:

- |                                 |                                |                                      |
|---------------------------------|--------------------------------|--------------------------------------|
| • Venipuncture (drawing blood); | • Epidural steroid injections; | • Foreign body removal from the eye. |
| • Lumbar puncture;              | • Removal of skin tags; or     |                                      |

To determine the amount payable for a surgical procedure, locate the procedure in one of the tiers shown in the Surgical Schedule below and refer to the benefit amount on the Policy Schedule for the tier in which the procedure appears.

If the specific procedure is not listed in the Surgical Schedule, we will use the Current Procedural Terminology (CPT) Code provided by the covered person's doctor and a current relative value scale to determine the tier of the procedure.

We will pay for only one surgical procedure for the same covered accident or covered sickness in a 90-day time period. If a covered person receives a subsequent surgical procedure for the same covered accident or same covered sickness, we will pay an additional benefit only if the subsequent procedure was performed more than 90 days after the last covered procedure was performed.

We will pay no more than the Calendar Year Maximum for the Outpatient Surgical Procedure Benefit shown.

If any covered person has an outpatient surgical procedure and is confined as a result of complications from the surgery within 90 days following the surgery, we will pay only the Hospital Confinement Benefit and not pay the Outpatient Surgical Procedure Benefit.

If we have already paid the Outpatient Surgical Procedure Benefit, we will deduct the Outpatient Surgical Procedure Benefit amount paid from any Hospital Confinement Benefit that is payable.

**Tier 1 Surgical Procedures**

<p><b>Breast</b></p> <ul style="list-style-type: none"> <li>Axillary node dissection</li> <li>Breast capsulotomy</li> <li>Breast reconstruction</li> <li>Lumpectomy</li> </ul> <p><b>Cardiac</b></p> <ul style="list-style-type: none"> <li>Pacemaker insertion</li> </ul> <p><b>Digestive</b></p> <ul style="list-style-type: none"> <li>Colonoscopy</li> <li>Fistulotomy</li> <li>Hemorrhoidectomy (external)</li> <li>Lysis of adhesions</li> </ul>	<p><b>Ear/Nose/Throat/Mouth</b></p> <ul style="list-style-type: none"> <li>Adenoidectomy</li> <li>Removal of oral lesions</li> <li>Myringotomy</li> <li>Tonsillectomy</li> <li>Tracheostomy</li> </ul> <p><b>Gynecological</b></p> <ul style="list-style-type: none"> <li>Dilation &amp; Curettage (D&amp;C)</li> <li>Endometrial ablation</li> <li>Lysis of adhesions</li> </ul> <p><b>Liver</b></p> <ul style="list-style-type: none"> <li>Paracentesis</li> </ul>	<p><b>Musculoskeletal System</b></p> <ul style="list-style-type: none"> <li>Carpal/cubital repair or release</li> <li>Dislocation (closed reduction treatment)</li> <li>Foot surgery (bunionectomy, exostectomy, arthroplasty, hammertoe repair)</li> <li>Fracture (closed reduction treatment)</li> <li>Removal of orthopedic hardware</li> <li>Removal of tendon lesion</li> </ul> <p><b>Skin</b></p> <ul style="list-style-type: none"> <li>Laparoscopic hernia repair</li> <li>Skin grafting</li> </ul>
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**Tier 2 Surgical Procedures**

<p><b>Breast</b></p> <ul style="list-style-type: none"> <li>Breast reduction</li> </ul> <p><b>Cardiac</b></p> <ul style="list-style-type: none"> <li>Angioplasty</li> <li>Cardiac catheterization</li> </ul> <p><b>Digestive</b></p> <ul style="list-style-type: none"> <li>Exploratory laparoscopy</li> <li>Laparoscopic appendectomy</li> <li>Laparoscopic cholecystectomy</li> </ul> <p><b>Ear/Nose/Throat/Mouth</b></p> <ul style="list-style-type: none"> <li>Ethmoidectomy</li> <li>Mastoidectomy</li> </ul>	<p><b>Ear/Nose/Throat/Mouth cont.</b></p> <ul style="list-style-type: none"> <li>Septoplasty</li> <li>Stapedectomy</li> <li>Tympanoplasty</li> <li>Tympanotomy</li> </ul> <p><b>Eye</b></p> <ul style="list-style-type: none"> <li>Cataract surgery</li> <li>Corneal surgery (penetrating keratoplasty)</li> <li>Glaucoma surgery (trabeculectomy)</li> <li>Vitrectomy</li> </ul> <p><b>Gynecological</b></p> <ul style="list-style-type: none"> <li>Myomectomy</li> </ul>	<p><b>Musculoskeletal System</b></p> <ul style="list-style-type: none"> <li>Arthroscopic knee surgery w/menisectomy (knee cartilage repair)</li> <li>Arthroscopic shoulder surgery</li> <li>Clavicle resection</li> <li>Dislocations (ORIF - open reduction with internal fixation)</li> <li>Fracture (ORIF - open reduction with internal fixation)</li> <li>Removal or implantation of cartilage</li> <li>Tendon/ligament repair</li> </ul> <p><b>Thyroid</b></p> <ul style="list-style-type: none"> <li>Excision of a mass</li> </ul>
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**Wellness Benefit Amount: \$50 per test, one test per calendar year if named insured coverage; two tests per calendar year if named insured and spouse coverage, one-parent family coverage or two-parent family coverage** We will pay this benefit if any covered person incurs charges for and has one of the wellness tests listed below performed while the policy is in force. We will pay the amount shown for one of the following wellness tests:

- |   |  |   |
|---|--|---|
| <ul style="list-style-type: none"> <li>• Blood test for triglycerides</li> <li>• Breast ultrasound</li> <li>• CA 15-3 (blood test for breast cancer)</li> <li>• CA 125 (blood test for ovarian cancer)</li> <li>• CEA (blood test for colon cancer)</li> <li>• Chest x-ray</li> </ul> | <ul style="list-style-type: none"> <li>• Colonoscopy or Virtual Colonoscopy</li> <li>• Fasting blood glucose</li> <li>• Flexible sigmoidoscopy</li> <li>• Hemocult stool analysis</li> </ul> | <ul style="list-style-type: none"> <li>• PSA (blood test for prostate cancer)</li> <li>• Serum protein electrophoresis (blood test for myeloma)</li> <li>• Serum cholesterol test for HDL and LDL</li> <li>• Stress test on a bicycle or treadmill</li> <li>• Thermography</li> </ul> |
|---|--|---|

We will pay up to the maximum number of tests shown.

**Mammography Benefit:** We will pay this benefit if a covered person receives a mammogram. We will pay the amount shown on the Policy Schedule. The test must be done while this policy is in force. We will pay for one baseline mammogram if the covered person is between the ages of 35 and 39, one mammogram every two years if the covered person is 40 to 49 years of age, or more frequently if recommended by her physician, and one mammogram each year if she is 50 years of age or older.

**Pap Smear Benefit:** We will pay this benefit if a covered person receives a pap smear or ThinPrep Pap Test. The test must be done while this policy is in force. We will pay the amount shown in the Policy Schedule. This benefit is payable once per calendar year per covered person or more frequently if additional testing is recommended by her physician.

**Rehabilitation Unit Benefit Amount: \$100 per day up to 15 days per confinement with a 30 day maximum per covered person per calendar year** We will pay this benefit if any covered person incurs charges for and is transferred to a rehabilitation unit immediately after a period of hospital confinement due to a covered accident or covered sickness. We will pay the amount shown for each day of confinement in a rehabilitation unit, up to the maximum number of days shown. Confinement to a rehabilitation unit must begin while the policy is in force.

**Waiver of Premium Benefit** After you have been confined to a hospital due to a covered accident or covered sickness for more than 30 continuous days while the policy is in force, we will waive the premium for the policy and any attached riders for as long as you remain confined to a hospital or rehabilitation unit. You must pay all premiums to keep the policy and any attached rider(s) in force

until you have been confined to a hospital for more than 30 continuous days and the waiver becomes effective. You must send us written notice as soon as you are no longer confined to a hospital or rehabilitation unit. We will assume you are no longer confined to a hospital or rehabilitation unit if:

- You do not send us satisfactory proof of loss when we request it; or
- You notify us that you are no longer confined to a hospital or rehabilitation unit.

You must pay all premiums to keep the policy in force beginning with the first premium due after you are no longer confined to a hospital or rehabilitation unit. The Waiver of Premium Benefit does not apply to any period that you are confined to a hospital or rehabilitation unit due to an accident, sickness or condition which is excluded by name or specific description. This benefit does not apply to your spouse or to your children. We will waive premiums only if you, the named insured, are confined to a hospital for more than 30 continuous days. However, if this is a named insured and spouse, one-parent family policy or a two-parent family policy, we will waive premiums on all family members insured by the policy.

### **Definitions**

**Accident** means an unintended or unforeseen bodily injury sustained by a covered person, wholly independent of disease, bodily infirmity, illness, infection, or any other abnormal physical condition.

**Calendar Year** means the period beginning on the effective date of coverage shown on the Policy Schedule and ending on December 31 of the same year. Thereafter, it is the period beginning on January 1 and ending on December 31 of each following year.

**Confined or Confinement** means the assignment to a bed as a resident inpatient in a hospital on the advice of a physician or, for purposes of the hospital confinement benefit only, confinement in an observation unit within a hospital for a period of no less than 20 continuous hours on the advice of a physician.

**Covered Accident** means an accident which occurs on or after the effective date of the policy, occurs while the policy is in force, and is not excluded by specific description in the policy.

**Covered Sickness** means an illness, infection, disease or any other abnormal physical condition, not caused by an accident, which occurs on or after the effective date of the policy, occurs while the policy is in force, and is not excluded by name or specific description in the policy.

**Dependent Children** means any natural children, step-children, children of your registered domestic partner, legally adopted children or children placed into your custody for adoption who are unmarried, chiefly dependent on you or your spouse for support and younger than age 26.

**Doctor or Physician** means a person who is licensed by the state to practice a healing art and performs services for a covered person which are allowed by his license.

For purposes of this definition, *Doctor or Physician* does not include any covered person or anyone related to any covered person by blood or marriage, a business or professional partner of any covered person, or any person who has a financial affiliation or a business interest with any covered person.

**Emergency Room** means a specified area within a hospital which is designated for the emergency care of accidental injuries or sicknesses. This area must be staffed and equipped to handle trauma, be supervised and provide treatment by physicians and provide care seven days per week, 24 hours per day.

**Hospital** means a place that is run according to law on a full-time basis, provides overnight care of injured and sick people, is supervised by a doctor, has full-time nurses supervised by a registered nurse, and has at its locations or uses on a pre-arranged basis: X-ray equipment, a laboratory and an operating room where surgical operations take place.

A hospital is not a nursing home, an extended care facility, a skilled nursing facility, a rest home or home for the aged, a rehabilitation unit, a place for alcoholics or drug addicts or an assisted living facility.

**Observation Unit** means a specified area within a hospital, apart from the emergency room, where a patient can be monitored following outpatient surgery or treatment in the emergency room by a physician and which is under the direct supervision of a physician or registered nurse, is staffed by nurses assigned specifically to that unit and provides care seven days per week, 24 hours per day.

**Pre-existing Condition** means any covered person having a sickness or physical condition for which he was treated, had medical testing, received medical advice or had taken medication within 12 months before the effective date of the policy.

**Rehabilitation Unit** means an appropriately licensed facility that provides rehabilitation care services on an inpatient basis. Rehabilitation care services consist of the combined use of medical, social, educational, and vocational services to enable patients disabled by sickness or accidental injury to achieve the highest possible functional ability. Services are provided by or under the supervision of an organized staff of physicians. The rehabilitation unit may be part of a hospital or a freestanding facility. A rehabilitation unit is not a nursing home, an extended care facility, a skilled nursing facility, a rest home or home for the aged, a hospice care facility, a place for alcoholics or drug addicts, or an assisted living facility.

### **What is Not Covered**

We will not pay benefits for injuries received in accidents or for sicknesses which are caused by:

- Any covered person's treatment for dental care or dental procedures, unless treatment is the result of a covered accident.

- Any covered person undergoing elective procedures or cosmetic surgery. This includes procedures for complications arising from elective or cosmetic surgery. This does not include congenital birth defects or anomalies of a child or reconstructive surgery related to a covered sickness or injuries received in a covered accident.
- Any covered person committing or attempting to commit a felony or working at an illegal occupation.
- Any covered person being intoxicated or under the influence of any controlled substance unless administered on the advice of a physician.
- Any pregnancy of a dependent child, including services rendered to her child after birth.
- Any covered person having a psychiatric or psychological condition including but not limited to affective disorders, neuroses, anxiety, stress and adjustment reactions. However, Alzheimer's Disease and other organic senile dementias are covered under the policy.
- Any covered person committing or trying to commit suicide or injuring himself intentionally, whether he is sane or not.
- Any covered person's involvement in any period of armed conflict, even if it is not declared.

**Well Baby Care Limitation**

We will not pay benefits for hospital confinement of a newborn child following his birth unless he is injured or sick.

**Pre-existing Condition Limitation**

We will not pay benefits for Hospital Confinement, Rehabilitation Unit Confinement or Outpatient Surgical Procedure for any covered person when such loss results from a pre-existing condition, unless the covered person has satisfied the pre-existing condition limitation period shown on the Policy Schedule.

**Birth Limitation**

We will not pay benefits for hospital confinement due to any covered person giving birth within the first nine (9) months after the effective date of the policy as a result of a normal pregnancy, including Cesarean. Complications of pregnancy will be covered to the same extent as any other covered sickness.