LOOKING AHEAD: FLEXIBLE CHOICE HOSPITAL INDEMNITY INSURANCE POLICY

A hospital indemnity policy to help protect against the high costs of hospital expenses.

Together, all the way.®

Cigna®

Offered by Loyal American Life Insurance Company.

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Hospital costs can be expensive. Help protect yourself and your family.

It's no secret that hospital visits can be expensive. However, there are other hospital expenses that can prove costly, as well. These include extended hospital stays, emergency room visits, ambulance transportation and more. That's why having a supplemental hospital indemnity insurance policy could be a smart financial decision – one that provides additional protection for you and your loved ones.

What our base policy offers

- Benefits are paid for overnight hospital[1] confinements, emergency room treatments, ambulance transportation, skilled nursing care and more.
- There are no network restrictions. That means you'll be paid the same amount no matter what hospital you choose.
- Coverage can be for you, your spouse/domestic partner and/or your family.
- Policies are issued to individuals age 50 through 85.
- Your policy is guaranteed renewable for life, regardless of your age or changes to your health.[2] We retain the right, at the time of renewal, to make changes in premium rates by classes.
- You can purchase riders for an additional premium. Riders offer coverage for unexpected health care costs. We can help you customize your coverage to fit your needs. Riders include:
  - Accident Fixed Indemnity
  - Lump Sum Cancer and Recurrence
  - Lump Sum Heart Attack, Stroke and Restoration
  - Specified Disease

How your policy works

- You and/or your covered spouse/domestic partner, and child(ren) receive benefit payments – regardless of other insurance you may have – whenever you or your covered family member are admitted to a hospital or experience a covered, hospital-related event resulting from a covered injury or illness.
- Benefits are paid directly to you.[3] You can use your benefits for anything you want, including everyday expenses.
- This is a fixed-benefit policy, meaning the policy will pay the specific amount you preselected, regardless of the amount charged by providers.
- There is no deductible.
- Benefits can help you cover out-of-pocket medical expenses.

1. The term "hospital" does not include a clinic or facility, including a skilled nursing facility or an urgent care center, or a unit of a hospital for: convalescent care, custodial care, educational or nursing care for the aged, care for chemical dependence or alcohol dependence, or used exclusively for the treatment of mental and nervous disorders.
2. Subject to the company's right to increase premiums on a class basis.
3. Benefits may be paid directly to the hospital upon assignment.

Being in a hospital is a challenging period – when recovery is a major concern. It's definitely not the time to be stressed about medical costs.

Prepare now. Get payments when you need them.

Major health insurance policies cover many medical costs, but they may not meet all of your expenses. For example, policies may include a deductible which must be met before the policy pays 100% of your benefits. Deductible amounts vary from policy to policy. However, they have one thing in common: They may put a dent in your household budget.

A Flexible Choice Hospital Indemnity Insurance policy, insured by Loyal American Life Insurance Company, can help you cover the amount of your out-of-pocket expenses. Your policy can also help with household expenses while you're hospitalized, such as pet-sitting, lawn care and more.[4]

Tom discovered the advantages of a hospital indemnity insurance policy.[5]

Tom is 66 and lives in Maine. Last winter, Tom caught pneumonia and spent four nights in the hospital. Even though Tom has a Medicare Advantage plan, his out-of-pocket expenses for the hospitalization cost him roughly $1,600.

Fortunately Tom had purchased a Hospital Indemnity Insurance Senior Choice policy the previous summer. The policy paid him $1,550 for his four-night hospital stay, helping to cover his out-of-pocket costs.

Here's how it worked out for Tom	
Tom's out-of-pocket expenses	$1,600
Benefit amount from Tom's Senior Choice policy	
Hospital Admission Benefit	$750
Hospital Confinement Benefit	$200 x 4 days
Total amount paid to Tom	**$1,550**

4. Benefits received in excess of medical expenses may be considered taxable income. Consult your tax advisor.
5. Example used for illustrative purposes only. These are examples only and actual coverage and benefit amounts will vary by policy design. Coverage is subject to all terms and conditions as specified in the policy.

Covered benefits

If you're faced with covered hospital-related expenses, we're here to help. The following benefits may be included in your policy. Please refer to the chart on page six of this brochure for coverage options, including benefit amounts payable. You have the opportunity to choose the benefits you want at rates that fit your budget.

Hospital Admission

You'll receive a benefit payment when you're admitted as an inpatient in a hospital due to a covered illness or injury. This hospital admission must occur within 90 days of the covered accident and the admission must be at the direction and under the treatment of a physician. Benefit payments are limited to one admission per insured person per calendar year, whether for the same or different covered illness or injury. This benefit is not payable for hospital admission of a newborn child following birth unless the child suffers a covered illness or covered injury.

Hospital Confinement

A daily benefit will be paid when you're confined in a hospital as an inpatient due to a covered illness or injury. Your hospital confinement must begin within 90 days of the covered accident and must be provided at the direction and under the treatment of a physician. If the insured person returns to the hospital within 90 days for the same or related illness or injury, we will count it as the same hospital confinement. Benefit payments are limited to a six- or 10-day benefit period and a maximum of four hospital confinements per insured person per calendar year.

Ambulance Transportation

Paid when a licensed professional ambulance company transports any insured person by air, ground or water to a hospital – or between medical facilities where treatment is received for a covered illness or injury. Ground/water transportation, due to an injury, must occur within 90 days of the covered accident. Air ambulance transportation, due to an injury, must occur within 72 hours of the covered accident. Limited to one payment per insured person per illness or injury with a combined maximum of two payments per calendar year.

Emergency Room Treatment

When you receive emergency treatment in an emergency room due to a covered illness or injury, we'll pay the benefit amount. The treatment must be provided at the direction of a physician or licensed health care professional who is under the supervision of a physician, within 72 hours of covered accident. Limited to a maximum of two payments per insured person per calendar year.

Observation Room

This benefit is paid when you receive treatment for a covered illness or injury in a hospital observation room on a non-inpatient basis and a charge is incurred. (The requirement that a person be charged for room and board does not apply to observation in a Veteran's Administration hospital or federal government hospital.) The observation, due to a covered injury, must occur within 90 days of the covered accident and the observation must be at the direction and under the treatment of a physician.

Benefit is limited to a maximum of two payments per calendar year per insured person. This benefit is not payable if a benefit is payable under the Hospital Confinement Benefit and/or the Emergency Room Treatment Benefit for the same day, same period or same treatment.

Skilled Nursing Facility

You'll receive a benefit payment if you're confined to a skilled nursing facility for medical treatment and rehabilitation due to a covered injury or illness. The benefit will be paid for each day of skilled nursing facility care starting on the 21st day of confinement.

The skilled nursing facility care must be at the direction and under the treatment of a physician or licensed health care professional, and begin within 30 days following a related hospital confinement for three consecutive days or more for which benefits were paid. When payment is provided for the Hospital Confinement Benefit, the Skilled Nursing Facility Benefit will not be payable for the same day.

Payments are limited to 80 days per insured person per calendar year.

What option is right for you?

There are many factors in choosing the right option, including costs, benefits provided and amounts that the benefits will pay. Your selections are based on what would make you feel most comfortable in terms of coverage and cost. Our Senior Choice policy is designed for those age 50 through 85 and is available in three different options.

Choose the payment amounts that work for you.

Once you've chosen an option (based on the amount of benefits you'd prefer), you can decide on the amount of coverage you would like. As the charts below illustrate, certain benefits offer a range of possible payments. For example, for hospital confinement, you can choose benefit payments that range from $100 to $450 a day.

A licensed insurance agent can work with you to help you determine what's right for you and your family. The following options show the payment amounts you'll be eligible to receive for specific benefits.

Senior Choice option one[6]

Benefits	Benefit payment amount options
Hospital confinement Choice of benefit in $25 increments. After the six or ten day period expires, this benefit pays $15 per day for up to 31 days.	$100–$450 per day

Senior Choice option two

Benefits	Benefit payment amount options
Hospital confinement Choice of benefit in $25 increments. After the six or ten day period expires, this benefit pays $15 per day for up to 31 days.	$100–$450 per day
Observation room	$100
Skilled nursing facility	$100

Senior Choice option three

Benefits	Benefit payment amount options		
Hospital admission	$250	$500	$750
Hospital confinement Choice of benefit in $25 increments. Pays either six or 10 days.	$100–$450 per day		
Observation room	$100		
Skilled nursing facility	$100		
Ambulance transportation	$150		
Emergency room treatment	$50		

6. Plan design is permissible with a health savings account (HSA).

It's about choices and control.

We offer additional coverage that can help protect you when you need it most. These valuable options are "riders" and are available for an additional premium.

Accident Fixed Indemnity Benefit Rider

(Form # LY-AI-RD-TX)

Accidents happen. And the right coverage can help protect you from unexpected expenses. This rider pays a fixed indemnity benefit when an insured person suffers covered injuries in a covered accident.

This rider also includes benefits for accidental death and dismemberment if an insured person passes away as a direct result of a covered accident. Benefit will also be paid if an insured person passes away in or on a common airline carrier, or while boarding or disembarking.

See the Accident Fixed Indemnity Benefit Rider Schedule in the Outline of Coverage for a complete list of benefits. Just ask your licensed insurance agent for a copy.

Specified Disease Benefit Rider

(Form # LY-HISD-RD-TX)

We will pay 100% of your chosen benefit amount – from $5,000 to $50,000 – when you receive a diagnosis or get a procedure from a physician for one of the following covered specified diseases.

- Amyotrophic lateral sclerosis (ALS)
- Coma
- End-stage renal failure
- Paralysis
- Major organ transplant
- Multiple sclerosis (MS)
- Severe burns

Each insured person is limited to one Specified Disease Benefit Amount.

If the date of diagnosis or procedure of two or more specified diseases is the same day, we will pay only one specified disease benefit.

Lump Sum Cancer and Recurrence Rider

(Form # LY-LSCR-RD-TX)

A cancer diagnosis can happen at any time, even if you lead a healthy lifestyle. Cancer coverage can help pay for costs associated with treatment. It helps to be prepared.

With our Lump Sum Cancer and Recurrence Rider, if you are diagnosed with cancer or carcinoma in situ, you get 100% of your chosen benefit amount, from $5,000 to $50,000. You can use this money however you'd like.

Lump Sum Cancer Benefits

Qualifying event	Percentage of amount payable for each event	Maximum percentage of amount payable
Cancer	100%	100%
Carcinoma in situ	100%	

If you are concerned about your cancer returning, this rider may pay a percentage of your selected benefit amount, not to exceed an additional 100%.[7] Benefits are payable as long as you have not received advice or treatment for at least two years from the date of your last cancer diagnosis.

Cancer Recurrence Benefit Amounts[7]

Time period without advice or treatment	Percentage of benefit amount payable	Maximum percentage of benefit amount
Less than 24 months	0%	100%
24 months or more, but less than five years	25%	
Five years or more, but less than 10 years	75%	
10 years or more	100%	

7. Coverage must be in force.

Lump Sum Heart Attack, Stroke and Restoration Rider[8]

(Form # LY-LSHR-RD-TX)

A heart attack, stroke or other heart-related surgery can be costly. With our Lump Sum Heart Attack, Stroke and Restoration Rider, you get a percentage of your chosen benefit amount – from $5,000 to $50,000 – should you receive a diagnosis of a covered heart attack or stroke or if you have a qualifying procedure, subject to the maximum benefit amount.

Benefits will also be paid if you are diagnosed with subsequent covered heart attacks, strokes or require a heart transplant, provided the date of your last diagnosis for a heart attack, stroke or heart transplant was a least two years from your current diagnosis.

Lump Sum Heart Attack and Stroke Benefits		
Qualifying event	**Percentage of amount payable for each event**	**Maximum percentage of amount payable**
Heart attack	100%	100%
Heart transplant	100%	
Stroke	100%	
Coronary artery bypass surgery[8]	25%	
Aortic surgery[8]	25%	
Heart valve replacement/ repair surgery[8]	25%	
Angioplasty[8]	10%	
Stent[8]	10%	

Lump Sum Heart Attack, Stroke and Restoration Rider qualifying events timeline		
Time period from last date of diagnosis	**Percentage of benefit amount payable**	**Maximum percentage of amount payable**
Less than 24 months	0%	100%
24 months or more, but less than five years	25%	
Five years or more, but less than 10 years	75%	
10 years or more	100%	

8. Payable only once in an insured's lifetime.

Exclusions, limitations and reductions

Refer to the policy for complete details, limitations and exclusions.

Hospital Indemnity Insurance Policy

In addition to any benefit-specific conditions, limitations, or exclusions, no benefits will be payable for a covered illness or injury which, directly or indirectly, in whole or in part, is caused by or results from any of the following:

1. An insured person's being intoxicated, as determined and defined by the laws and jurisdiction of the geographical area in which the injury or illness or cause of injury or illness was incurred, or under the influence of any narcotic unless administered under the advice of a physician and taken as prescribed. The insured person's alcohol or narcotic impairment must be the cause or contributing cause of his or her injury or sickness, irrespective of whether the injury or sickness occurred while the insured person was driving a motor vehicle or engaged in any other activity;
2. Elective or cosmetic surgery or complications of cosmetic surgery. This does not include reconstructive, cosmetic surgery:
    i. Incidental to or following surgery for trauma, infection, or other disease of the involved part; or
    ii. Due to congenital disease or anomaly of a covered Dependent Child which has resulted in a functional defect;
3. Dental treatment of the teeth, gums or structures directly supporting the teeth, including dental X-rays, examinations, repairs, orthodontics, periodontics, casts, splints and services for dental malocclusion for any condition are not covered, except if provided for or in connection with a covered injury to sound natural teeth and a continuous course of dental treatment is started within six (6) months of the covered injury. Sound natural teeth are defined as natural teeth that are free of active clinical decay, have at least 50% bony support and are functional in the arch;
4. Commission or attempt to commit an illegal activity or a felony;
5. Participation in any high-risk activities such as bungee jumping, parachuting, skydiving, parasailing, hang gliding, deep-sea scuba diving, parkour, free running, sail gliding, parakiting, bronc or bull riding, or any similar activity;
6. Any mental or nervous or emotional disorder without demonstrable organic disease, alcoholism, and drug addiction;
7. Active-duty service in the military, naval or air force of any country or international organization. Upon our receipt of proof of service, we will refund any premium paid during the insured person's time of active duty. Reserve or National Guard active-duty training is not excluded, unless it extends beyond thirty-one (31) consecutive days;
8. If You are age sixty-four (64) or under on the policy effective date, we will not pay benefits for a covered illness or injury caused by, contributed to, or resulting from a Pre-Existing Condition during the first twelve (12) months that coverage is in force with respect to an insured person. If You are age sixty-five (65) or over on the policy effective date, the benefits of this policy will not be payable during the first (6) months that coverage is in force with respect to an insured person for any loss caused by Pre-Existing Condition(s). The term Pre-Existing Condition means any covered illness or injury for which an insured person received medical treatment, advice or services, including diagnostic measures, or took prescribed drugs or medicines within twelve (12) months before the insured person's most recent effective date of coverage. This limitation will not apply to a covered illness or injury that occurs after the insured person is insured under this policy for at least twelve (12) months after the insured person's effective date of coverage. This Pre-Existing Condition will not apply to congenital anomalies of a covered dependent child.
9. Pregnancy or childbirth (except for complications of pregnancy, non-elective miscarriage, and non-elective abortion which are considered as any other Illness), an elective abortion, or complications of such abortion;
10. Intentionally self-inflicted injury, suicide or any attempt or threat to commit suicide while sane;
11. War or act of war (whether declared or undeclared);
12. Commission of or active participation in a riot, insurrection, rebellion, or police action; or
13. Voluntary self-administration of any narcotic, drug, poison, gas or fumes, unless prescribed or taken under the direction of a physician and taken in accordance with the prescribed dosage.

Lump Sum Heart, Stroke and Restoration Rider

This rider is subject to the Exclusions and Limitations outlined in the policy. In addition to any benefit-specific conditions, limitations or exclusions, no benefits will be payable under this rider for:

1. Any disease, illness, or incapacity other than qualifying events as defined; this is so even though such disease, illness or incapacity may have been complicated, affected (directly or indirectly) or caused by a qualifying event;
2. Loss that begins prior to the rider effective date;
3. A qualifying event diagnosed during the waiting period;
4. Any illness specifically excluded from the definition of qualifying events listed in this rider.

Waiting period: This rider has a thirty (30) day waiting period. Waiting period means the first thirty (30) days following an insured person's rider effective date. No benefits will be paid for a qualifying event that is diagnosed during the waiting period. If an insured person is diagnosed with a qualifying event during the waiting period, we will terminate the insured person's coverage under this rider and refund the applicable portion of premium paid for that insured person's coverage.

Pre-Existing Condition(s) Limitation: If you are age sixty-four (64) or under on the rider effective date, the benefits of this rider will not be payable during the first twelve (12) months that coverage is in force with respect to an insured person for any loss caused by Pre-Existing Condition(s). This twelve (12) month period is measured from the rider effective date for each insured person. If You are age sixty-five or over on the rider effective date, the benefits of this rider will not be payable during the first six (6) months that coverage is in force with respect to an insured person for any loss caused by Pre-Existing Condition(s). The term "Pre-Existing Condition" refers to a diagnosed condition or a condition for which medical advice was given, or treatment was received, from a physician within six (6) months prior the rider effective date.

Specified Disease Benefit Rider

This rider does not cover any disease, illness, incapacity or procedure other than the Specified Diseases defined earlier in this brochure, even though another disease or incapacity may have been complicated, aggravated or directly affected by the Specified Disease or its treatment.

This rider is subject to the Exclusions and Limitations outlined in the policy. In addition to any benefit-specific conditions, limitations or exclusions, no benefits will be payable under this rider for loss that begins prior to the effective date of coverage.

Pre-Existing Condition(s) Limitation: If you are age sixty-four (64) or under on the rider effective date, the benefits of this rider will not be payable during the first twelve (12) months that coverage is in force with respect to an insured person for any loss caused by Pre-Existing Condition(s). This twelve-month period is measured from the effective date of coverage for each insured person. If you are age sixty-four (64) or under on the rider effective date, the benefits of this rider will not be payable during the first twelve (12) months that coverage is in force with respect to an insured person for any loss caused by Pre-Existing Condition(s). Pre-Existing Condition(s) is defined as a condition diagnosed, or for which medical advice or treatment was recommended by or received from a physician within six (6) months prior to the rider effective date.

Accident Fixed Indemnity

This rider is subject to the Exclusions and Limitations outlined in the policy. In addition to any benefit-specific conditions, limitations or exclusions, no benefits will be payable under this rider for:

1. Medical mishap or negligence, including malpractice;
2. Illness, disease, bodily or mental infirmity, bacterial or viral infection, or any condition resulting from insect, arachnid or other arthropod bites or stings, or medical or surgical treatment thereof, except for any bacterial infection resulting from an accidental cut or wound or accidental ingestion of contaminated food;
3. Practicing for or participating in any semiprofessional or professional competitive athletic contest for which such insured person receives any compensation or remunerations; or
4. Operating a motor vehicle without a valid motor vehicle operator's license, except while participating in a driver's education program.

The following conditions, treatments, and/or services are not covered under this rider:

1. Care, services or supplies received without charge or legal obligation to pay or while the rider was not in force;
2. Treatment, services and supplies for experimental, investigational or unproven purposes;
3. Dental treatment of the teeth, gums or structures directly supporting the teeth, including dental X-rays, examinations, repairs, orthodontics, periodontics, casts, splints and services for dental malocclusion for any condition are not covered, except if provided for or in connection with a covered injury to sound natural teeth and a continuous course of dental treatment is started within six (6) months of the covered injury. Sound natural teeth are defined as natural teeth that are free of active clinical decay, have at least fifty percent (50%) bony support and are functional in the arch;

4. Treatment or services from a masseur, massage therapist or rolfer, massage therapy and any type of holistic therapy which include, but are not limited to, meditation, aromatherapy and relaxation therapy; or
5. Repetitive or cumulative motions or stress traumas which include, but are not limited to, carpal tunnel syndrome, tennis elbow and thoracic outlet syndrome.

Lump Sum Cancer and Recurrence Rider

If you are diagnosed within the first 30 days following the effective date of the rider, the benefit amount payable will be reduced to 10% of the selected benefit amount, and your coverage will be terminated.

This rider is subject to the Exclusions and Limitations outlined in the policy. In addition to any benefit specific conditions, limitations, or exclusions, no benefits will be payable under this rider for:

1. Any disease, illness, or incapacity other than cancer as defined; this is so even though such disease, illness, or incapacity may have been complicated, affected (directly or indirectly), or caused by cancer;
2. Loss that begins prior to the rider effective date; or
3. Any illness specifically excluded from the definition of cancer or carcinoma in situ.

Pre-Existing Condition(s) Limitation: If you are age sixty-four (64) or under on the rider effective date, the benefits of this rider will not be payable during the first twelve (12) months that coverage is in force with respect to an insured person for any loss caused by Pre-Existing Condition(s). This twelve-month period is measured from the rider effective date for each insured person. If you are age sixty-five (65) or over on the rider effective date, the benefits of this rider will not be payable during the first six (6) months that coverage is in force with respect to an insured person for any loss caused by Pre-Existing Condition(s). Pre-Existing Condition(s) is defined as a condition diagnosed, or for which medical advice or treatment was recommended by or received from a physician within six (6) months prior to the rider effective date.

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THIS POLICY PAYS LIMITED BENEFITS ONLY. IT DOES NOT CONSTITUTE COMPREHENSIVE HEALTH INSURANCE COVERAGE AND IS NOT INTENDED TO COVER ALL MEDICAL EXPENSES. THIS COVERAGE DOES NOT SATISFY THE “MINIMUM ESSENTIAL COVERAGE” OR INDIVIDUAL MANDATE REQUIREMENTS OF THE AFFORDABLE CARE ACT (ACA). LACK OF MAJOR MEDICAL COVERAGE (OR OTHER MINIMUM ESSENTIAL COVERAGE) MAY RESULT IN AN ADDITIONAL PAYMENT WITH YOUR TAXES. THIS COVERAGE IS NOT MEDICAID OR MEDICARE SUPPLEMENT INSURANCE.

The full terms and conditions of coverage are stated in, and governed by, and issued by an Individual Hospital Indemnity insurance policy and riders. The brochure is designed as a marketing aid and provides a brief description of the important features of policy form series LY-HISR-BA-TX and applicable riders. Refer to the policy and applicable rider(s) for complete details, exclusions, limitations and reductions. In the event there are discrepancies with the information in this brochure, the terms and conditions of the coverage documents will govern. Product availability varies by state. For cost and complete details of coverage, contact your insurance agent/producer or the company.

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