

Group Hospital Confinement Indemnity “Gap” Insurance

Mineral Wells Independent School District
announces Gap Insurance protection Proposed
effective date: 09/01/2013

How will you cover the health insurance expense gap?

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.

- The average cost of a one day inpatient hospital stay is over \$1,800¹
- The average length of a hospital stay is 5 days²
- 76% of workers with HDHP's have an out-of-pocket maximum over \$2,500³

Sources: ¹ Kaiser State Health Facts, 2009; Health Costs and Budgets
² CDC/NCHS, National Hospital Discharge Survey, 2008 Edition
³ Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2010

How can Gap insurance help?

Group Hospital Confinement Indemnity “Gap” insurance* is designed to provide benefits that supplement existing major medical or comprehensive health insurance plans. The additional benefits help to cover out-of-pocket expenses related to coinsurance, co-pays and deductibles for inpatient and outpatient services. 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.

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, Kansas City, MO 64111. 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, Kansas City, MO 64111.

Jon Carter
Policy Specialist

How much does Gap insurance cost?

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	\$28.80	\$51.90	\$63.68	\$86.74
40-49	\$39.06	\$70.31	\$71.90	\$103.11
50+	\$65.82	\$118.44	\$106.59	\$159.16

Gap Plan Payment Example

To see how a Gap plan can help, let's assume that your employer offers a Major Medical/Comprehensive plan with a \$1,500 deductible, 80/20 coinsurance and \$2,500 out-of-pocket maximum. With a \$2,000 Inpatient/\$1,000 Outpatient Gap plan benefits could be payable as shown below:

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 dependent child(ren) who are under 26 years of age and who are covered under your employer's Major Medical/Comprehensive plan. 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	
• Inpatient Hospital stays	\$2,000* per covered person per calendar year
• Inpatient surgeries	
• Physician's in-hospital charges	
• Emergency room treatment for sickness (requires hospital confinement within 24 hours) or injury	

Outpatient Benefits	
Outpatient treatment of injury and sickness including surgery, diagnostic imaging and lab work	\$1,000* per covered person per calendar year
Covers outpatient radiation and chemotherapy	
Treatment may be performed in a hospital, physician's office, outpatient surgical or emergency facility, a diagnostic testing facility or similar facility that is licensed to provide outpatient treatment	<i>The maximum calendar year benefit per family is two times the chosen benefit</i>
Does not cover physician's charges or copays	

*Benefits are limited to the deductible, co-payment and co-insurance amounts you or your covered dependents are required to pay under your Major Medical/Comprehensive plan. The Gap policy may exclude expenses that are covered under the underlying major medical plan.

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 (while sane, in Colorado and Missouri);
- 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 require 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. The Company's 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.