

Hospital Confinement Direct

Medical plans pay doctors and hospitals Our plan pays you



Hospital

Most people plan for the unexpected by purchasing medical insurance to cover the cost of care related to hospital confinement due to injury or illness. But that is only part of the protection you need. You also need coverage to help with out-of-pocket medical expenses and other daily living expenses.

For example, in 2012, there were 36.5 million hospital stays in the United States, with an average length of stay of 4.5 days and an average cost of \$10,400 per stay.¹ In addition, it is very likely there are daily living expenses and other unexpected costs that will arise as a result of your illness or injury.

Supplemental insurance plans offered by Chesapeake

- Provide customizable protection for you and your family to fit any budget
- Pay a daily benefit for hospital confinements due to injury or illness that occur on or off the job
- Complement your existing health insurance plan
- Pay the cash benefit directly to you—not your doctor or hospital

Want to learn more about insurance that pays you? Contact your local agent to learn about how you can customize or combine multiple plans to fit your specific budget and needs.

Our Hospital Confinement Direct supplemental insurance plan is simple. It pays a **cash benefit** for each day you are hospitalized directly to you to help fill financial gaps. This money can be used for anything you choose, including expenses health insurance doesn't pay for, such as deductibles, family travel expenses, childcare and other everyday living expenses. It's your money; how you spend it is your decision.

Hospital Confinement Direct

Description

Provides a daily benefit option on confinement to hospital due to illness or injury. Subject to a 30-day waiting period for illness and a lifetime maximum of 365 days, per insured person.

Daily Benefit Options

\$250 or \$500

Benefit Schedule

Hospital Confinement Benefit:

1-5 days: 100% of the daily benefit option
6-10 days: 50% of the daily benefit option
11-365 days: \$100 per day

ICU/CCU Confinement Benefit

(paid in lieu of hospital confinement benefit):

1-10 days: 100% of the daily benefit option
11-30 days: 50% of the daily benefit option
31-365 days: \$100 per day

¹ <http://www.hcup-us.ahrq.gov/reports/statbriefs/sb180-Hospitalizations-United-States-2012.pdf>

This supplemental insurance product is underwritten by The Chesapeake Life Insurance Company. The administrative offices of The Chesapeake Life Insurance Company are located in North Richland Hills, TX. For premium costs and further details of form series CH-26116-IP (01/10) MA, including exclusions, any reductions or limitations and the terms under which the Policy may be continued in force, please contact your licensed insurance agent/producer. Benefits and premiums vary based on plan options selected.

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CH/MA000005

THE CHESAPEAKE LIFE INSURANCE COMPANY

A Stock Company

(Hereinafter called: the Company, We, Our or Us)

Home Office: Oklahoma City, Oklahoma

Administrative Office: P.O. Box 982010

North Richland Hills, Texas 76182-8010

Customer Service: 1-800-815-8535

HOSPITAL CONFINEMENT INDEMNITY POLICY OUTLINE OF COVERAGE FOR POLICY FORM CH-26116-IP (01/10) MA

- 1. READ YOUR POLICY CAREFULLY** – This outline of coverage provides a very brief description of the important features of Your Policy. This is not the insurance contract and only the actual Policy provisions will control. The Policy itself sets forth, in detail, the rights and obligations of both You and Us. It is, therefore, important that You **READ YOUR POLICY CAREFULLY!**
- 2. 10 DAY RIGHT TO EXAMINE THE POLICY** -It is important to Us that You understand and are satisfied with the coverage being provided to You. If You are not satisfied that this coverage will meet Your insurance needs, You may return this Policy to Us at Our Administrative Office in North Richland Hills, Texas within 10 days after You receive it. Upon receipt, We will cancel Your coverage as of the Policy Date, and You will receive a full refund of all the premiums You have paid.
- 3. THE POLICY IS NOT A MEDICARE SUPPLEMENT POLICY. If You are eligible for Medicare, review the Guide to Health Insurance for People with Medicare available from the company.**
- 4. HOSPITAL CONFINEMENT INDEMNITY POLICY** – The Hospital Confinement Indemnity plan pays a daily benefit for hospital confinement resulting from a Sickness or Injury. This coverage is NOT intended to cover all medical expenses.
- 5. BENEFITS** - Benefits are payable under the Policy for each day an Insured Person is Hospital Confined due to Sickness or Injury. All benefits are subject to the Lifetime Maximum shown in the POLICY SCHEDULE – SCHEDULE OF BENEFITS, the Waiting Period shown in the POLICY SCHEDULE – SCHEDULE OF BENEFITS, the Daily Benefit Amount shown in the POLICY SCHEDULE – SCHEDULE OF BENEFITS, any benefit limitations shown in the POLICY SCHEDULE – SCHEDULE OF BENEFITS, the Exclusions and Limitations shown below, and all other provisions of the Policy.

LIFETIME MAXIMUM 365 Days

WAITING PERIOD

For Sickness 30 Days
For Injury 0 Days

DAILY BENEFIT AMOUNT \$250 \$500

HOSPITAL CONFINEMENT BENEFIT

Day 1 - 5 100% of the Daily Benefit Amount
Day 6 – 10 50% of the Daily Benefit Amount
Day 11 and over \$100 per day

INTENSIVE CARE/CARDIAC CARE UNIT CONFINEMENT BENEFIT

(Paid in lieu of Hospital Confinement Benefit)

Day 1 – 10 100% of the Daily Benefit Amount
Day 11 - 30 50% of the Daily Benefit Amount
Day 31 and over \$100 per day

6. EXCLUSIONS AND LIMITATIONS. We will not provide any benefits for any loss caused by, resulting from or in connection with:

1. Any care or benefits which are not specifically provided for in the Policy;
2. Any act of war, declared or undeclared;
3. Active military duty in the service of any country;
4. Participation in a riot, civil commotion or insurrection;
5. Attempted suicide, or any intentionally self-inflicted injury, while sane or insane;
6. Mental or Nervous Disorders;
7. Mandibular or maxillofacial surgery to correct growth defects after one year from the date of birth, jaw disproportions or malocclusions, or to increase vertical dimension or reconstruct occlusion;
8. Weight loss or modification, or complications arising therefrom, or procedures resulting therefrom, or for surgical treatment of obesity, including wiring of the teeth and all forms of surgery performed for the purpose of weight loss or modification;
9. Breast reduction or augmentation unless necessary in connection with breast reconstructive surgery following a mastectomy performed while insured under the Policy;
10. Payment for care for military service connected disabilities for which the Insured Person is legally entitled to services and for which facilities are reasonably available to the Insured Person and payment for care for conditions that state or local law requires be treated in a public facility;
11. Experimental or investigational medicine;
12. Any treatment or procedure that either promotes or prevents conception or prevents childbirth, including but not limited to: (a) artificial insemination; (b) in-vitro fertilization or other treatment for infertility; (c) treatment for impotency; (d) sterilization or reversal of sterilization; or (e) abortion (unless the life of the mother would be endangered if the fetus were carried to term), unless otherwise stated herein;
13. Cosmetic surgery;
14. Radial keratotomy or any eye surgery when the primary purpose is to correct nearsightedness, farsightedness, astigmatism, or any other refractive error;
15. Operating any motorized passenger vehicle for wage, compensation or profit;
16. Drug abuse or addiction including alcoholism, or overdose of drugs, narcotics, or hallucinogens, directly or indirectly;
17. An overdose of drugs, being intoxicated or under the influence of intoxicants, hallucinogens, narcotics or other drugs, directly or indirectly;
18. Directly or indirectly engaging in an illegal occupation or illegal activity or Your being incarcerated;
19. Committing or trying to commit a felony;
20. Normal pregnancy, except for Complications of Pregnancy while Hospital Confined;
21. Hospital Confinement for routine or normal newborn child care;
22. Mountaineering using ropes and/or other equipment, parachuting, hang gliding, officiating or coaching, racing any type of vehicle in an organized or unorganized event, sky diving, scuba diving below 50 feet, motorized racing, para-sailing, experimental aviation, ultra-light flying, base jumping, bungee jumping, heli-skiing or heli-snowboarding; and
23. Travel in or descent from any vehicle or device for aerial navigation, except as a fare paying passenger in an aircraft operated by a commercial airline (other than a charter airline) certified by the U.S. Federal Aviation Administration (FAA), on a regularly scheduled passenger trip.

Pre-Existing Condition - We will not provide benefits for any loss resulting from a Pre-Existing Condition, as defined, unless the loss is incurred at least one year after the Effective Date of Coverage for an Insured Person.

7. **RENEWAL CONDITIONS.** The Policy is conditionally renewable to age 65, subject to the Company's right to discontinue or terminate the coverage as provided in the TERMINATION OF COVERAGE section of the Policy. The Company reserves the right to change the applicable table of premium rates on a Class Basis.
8. **PREMIUMS.** We reserve the right to change the table of premiums, on a Class Basis, becoming due under the Policy at any time and from time to time; provided, We have given You written notice of a least 31 days prior to the effective date of the new rates. Such change will be on a Class Basis.
9. **COMPLAINTS:** If You have a complaint call Us toll-free at Telephone: 1-800-889-8223. If You are not satisfied, You may call the Massachusetts Division of Insurance.

The Chesapeake Life Insurance Company®

Administrative Office:

P.O. Box 982010

North Richland Hills, TX 76182-8010

Toll Free: 1-800-815-8535

This attachment page form CH-26116-IP (01/10) SS MA 7/11, must be used with the Hospital Confinement Indemnity Outline of Coverage when marketing. For details about covered expenses, exclusions and limitations of the Hospital Confinement Direct plan (form CH-26116-IP (01/10) MA), refer to the Outline of Coverage to which this is attached.

Coverage Begins

Chesapeake requires evidence of insurability before coverage is provided. Once Chesapeake has approved your application, and you have paid your premium, coverage will begin on the Policy date shown in the Policy schedule.

Claim Submission

You must notify the company in order for your claim to be considered. Refer to your policy materials for the claim form and additional instructions.

Termination of Coverage

Your coverage will terminate and no benefits will be payable under the Policy: At the beginning of the period for which premium has not been paid subject to the grace period, except as provided in the waiver of premium provision ■ On the date you reach age 65 ■ If your mode of premium is monthly, at the end of the month following the date of our receipt of your request of termination ■ If your mode of premium is other than monthly, upon the next monthly anniversary day following our receipt of your request of termination. Premium will be refunded for any amounts paid beyond the termination date ■ On the date of fraud or material misrepresentation by you ■ On the date we elect to discontinue this plan or type of coverage ■ On the date we elect to discontinue all coverage in your state ■ On the date an insured person is no longer a permanent resident of the United States. Premium will only be refunded for any full months paid beyond the termination date.

The Policy will not terminate or lapse for nonpayment of premium until the expiration of three (3) months from the date of such premiums, unless we, within not less than ten (10) nor more than forty-five (45) days prior to said due date, shall have mailed, duly addressed to the insured person at his last address shown in our records a notice showing the amount of such premium and its due date. If another person has been designated to receive premium notices, and written designation of the name and address of such person has been given to us, then a notice shall be sent to that person showing the amount of such premium and its due date. If such a notice is not sent, the premium in default may be paid at any time within said period of three (3) months. The affidavit of any officer that the notice required has been duly mailed in the manner in the Policy before required, shall be clear evidence that such notice was duly given.

Covered Dependents: Your covered dependent's coverage will terminate under the Policy on: The date your coverage terminates ■ At the end of the month following the date such dependent ceases to be an eligible dependent ■ At the end of the month following the date of our receipt of your request of termination ■ On the date the covered dependent performs an act or practice that constitutes fraud or has made an intentional misrepresentation of material fact, relating in any way to the coverage provided under the Policy, including claims for benefits under the Policy. Premium will only be refunded for any full months paid beyond the termination date.



This health plan, alone, **does not meet Minimum Creditable Coverage standards** and **will not satisfy** the individual mandate that You have health insurance.