

## Group Hospital Indemnity Insurance

### Benefits Proposal

This proposal has been  
prepared for:



Presented by:



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COMPANIES**

Proposal State:  
NORTH CAROLINA

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Continental American Insurance Company (CAIC)  
A proud member of the Aflac family of insurers.  
Policy Form Series C80000

## THIS IS NOT A MEDICARE SUPPLEMENT POLICY.

If the Insured is eligible for Medicare, the Insured should review the **Guide to Health Insurance for People with Medicare**, which is available from the company.

### Plan Description

The Aflac Group Hospital Indemnity plan provides cash benefits ***directly to your employees*** (unless otherwise assigned) that help pay for some of the costs—medical and nonmedical—associated with a covered hospital stay due to a sickness or accidental injury.

### Why Offer Group Hospital Indemnity Insurance?

A sudden hospitalization might stop employees in their tracks, but their bills — mortgages, utilities, groceries and out-of-pocket costs — will keep on coming. Aflac Group Hospital Indemnity insurance can help cover the costs associated with the treatment of a covered sickness or accident. More importantly, the plan helps your employees focus on getting better, not worrying about how they'll pay their bills. Because Aflac pays cash benefits directly to the insured, our Group Hospital Indemnity plan gives your employees the flexibility to use their benefits anyway they see fit either on costs related to treatment or to help with everyday living expenses.

### Plan Features

- Benefits are paid directly to the insured, unless otherwise assigned
- Benefits are paid for covered sicknesses and accidents
- Coverage is available for all family members
- Guaranteed-issue coverage is available (which means your employees may qualify for coverage without having to answer health questions)
- Premiums are paid through convenient payroll deduction
- There are no pre-existing condition limitations
- The plan doesn't have a waiting period for benefits
- Benefits do not reduce as insureds get older
- There's a three-year rate guarantee
- Coverage is portable
- Annual health screening benefit is included
- Benefits are paid regardless of any other medical insurance

## Underwriting Guidelines – Guaranteed-Issue

### Guaranteed-Issue

Guaranteed-issue coverage is offered to all eligible applicants during the initial enrollment and for new hires thereafter.

At the group's first anniversary, late enrollees are eligible to enroll on a guaranteed-issue basis.

### Late Enrollee Eligibility

For late enrollees who are not eligible for guaranteed-issue:

All applicants are required to answer underwriting questions. These questions are knockout questions, which means any "yes" response will result in a declination. Please refer to the application for these questions.

## Group Eligibility

A minimum of 25 approved employee payors are needed to establish group billing.

## Individual Eligibility

### Issue Ages:

- Employee 18+
- Spouse 18+
- Children under age 26

All full-time, benefit-eligible employees who work at least 18 hours weekly are eligible. If an employee is eligible, his spouse is also eligible to apply for coverage. Seasonal and temporary workers are not eligible to participate.

## Spouse Coverage Available

To apply for spouse coverage, ***the employee must also apply and be issued coverage.***

***Spouse-only coverage is not available.***

## Dependent Children Coverage Available

Dependent children under the age of 26 can be covered. To apply for dependent child coverage, ***the employee must also apply and be issued coverage.***

If an employee does not have dependent child coverage, a newborn/newly adopted/newly placed foster child will be automatically covered for 60 days from the date of birth, adoption, or placement. To continue coverage beyond 60 days, the employee must apply for coverage for the child and pay any required premium.

***Children-only coverage is not available.***

## Successor Insured Benefit

If spouse coverage is in force at the time of the primary insured's death, the surviving spouse may elect to continue coverage. Coverage would continue according to the existing plan and would also include any dependent child coverage in force at the time.

## Addition of New Employees

From time to time, new eligible employees or dependents may be added to the group originally insured, in accordance with the terms of the policy.

## Portability

When coverage is effective and would otherwise terminate because the employee ends employment with the employer, coverage may be continued. An employee may continue the coverage that is in force on the date employment ends, including dependent coverage that is in effect.

Coverage may be continued beyond the termination of the master policy. The master policy must be in force for at least 12 months in order to exercise this privilege. If the master policy is terminated, converted coverage may differ from the original plan. Availability and method of conversion may vary by state and is subject to the approval of state Departments of Insurance.

Coverage may not be continued if an employee fails to pay any required premium. Premium for ported coverage is paid directly by the employee.

## Reinstatement

If any renewal premium is not paid on time (as outlined in the initial payment agreement) for the plan, the company (or an agent who is authorized by the company) may accept the late premium and reinstate the plan without requiring a new application. If the company (or authorized agent) does require an application for reinstatement and issues a conditional receipt for the premium tendered, the plan will be reinstated upon the company's approval, or lacking such approval, upon the 45th day following the date of the conditional receipt (unless the company has previously notified the policyholder in writing of its disapproval of such application). Reinstatement is subject to the terms of the plan.

## Termination of an Employee's Insurance

An employee's insurance will terminate on whichever occurs first:

- The date the company terminates the plan.
- The 31st day after the premium due date, if the premium has not been paid.
- The date the employee no longer belongs to an eligible class.

Insurance for a covered spouse or dependent child will terminate on the earliest of any of the above, or:

- The premium due date following the date the covered spouse or dependent child no longer qualifies as a dependent.
- The premium due date following the date we receive the employee's written request to terminate coverage for his spouse or all dependent children.

If the group master policy and/or certificate terminates, we will provide coverage for claims arising from covered accidents or sickness that occurred while the plan was in force.

## Group Hospital Indemnity Benefits

### Hospitalization Benefits – Base Plan

Benefits	Mid
<p><b>Hospital Admission (per confinement) – once per covered sickness or accident per calendar year for each insured</b></p> <p>We will pay the amount shown when an insured is admitted to a hospital and confined as an in-patient because of a covered accidental injury or because of a covered sickness. In order to receive this benefit for accidental injuries received in a covered accident, an insured must be admitted to a hospital within six months of the date of the covered accident.</p> <p>We will not pay benefits for confinement to an observation unit, or for emergency room treatment or outpatient treatment.</p>	\$1,000
<p><b>Hospital Confinement (per day) – maximum of 31 days per confinement for each covered sickness or accident for each insured</b></p> <p>We will pay this benefit in the amount shown for each day that an insured is confined to a hospital as an in-patient as the result of a covered accidental injury or because of a covered sickness. In order to receive this benefit for accidental injuries received in a covered accident, the insured must be confined to a hospital within six months of the date of the covered accident.</p> <p>If we pay benefits for confinement and the insured becomes confined again within six months because of the same or related condition, we will treat this confinement as the same period of confinement.</p> <p>This benefit is payable for only one hospital confinement at a time even if caused by more than one covered accidental injury, more than one covered sickness, or a covered accidental injury and a covered sickness.</p>	\$100

<p><b>Hospital Intensive Care (per day) - maximum of 10 days per confinement for each covered sickness or accident for each insured</b></p> <p>We will pay the amount shown for each day when an insured is confined in a Hospital Intensive Care Unit because of a covered accidental injury or because of a covered sickness. In order to receive this benefit for accidental injuries received in a covered accident, an insured must be admitted to a Hospital Intensive Care Unit within six months of the date of the covered accident.</p> <p>We will pay benefits for only one confinement in a Hospital's Intensive Care Unit at a time, even if it is caused by more than one covered accidental injury, more than one covered sickness or a covered accidental injury and a covered sickness.</p> <p>If we pay benefits for confinement in a Hospital's Intensive Care Unit and an insured becomes confined to a Hospital's Intensive Care Unit again within six months because of the same or related condition, we will treat this confinement as the same period of confinement.</p> <p><b><i>This benefit is payable in addition to the Hospital Confinement Benefit.</i></b></p>	<p>\$100</p>
<p><b>Intermediate Intensive Care Step-Down Unit (per day) - maximum of 10 days per confinement for each covered sickness or accident for each insured</b></p> <p>We will pay the amount shown for each day when an insured is confined in an Intermediate Intensive Care Step-Down Unit because of a covered accidental injury or because of a covered sickness. In order to receive this benefit for accidental injuries received in a covered accident, an insured must be admitted to a Hospital Intensive Care Unit within six months of the date of the covered accident.</p> <p>We will pay benefits for only one confinement in an Intermediate Intensive Care Step-Down Unit at a time, even if it is caused by more than one covered accidental injury, more than one covered sickness or a covered accidental injury and a covered sickness.</p> <p>If we pay benefits for confinement in an Intermediate Intensive Care Step-Down Unit and an insured becomes confined to a Hospital's Intermediate Intensive Care Step-Down Unit again within six months because of the same or related condition, we will treat this confinement as the same period of confinement.</p> <p><b><i>This benefit is payable in addition to the Hospital Confinement Benefit.</i></b></p>	<p>\$75</p>

\*Residents of Massachusetts are eligible for Hospital Admission, Hospital Confinement, Hospital Intensive Care and Intermediate Intensive Care Step-Down Unit Benefits only.

## Health Screening Benefit – once per calendar year for each insured

Benefit	Benefit Amount
Health Screening Benefit	\$50 per calendar year

The Health Screening Benefit is payable once per calendar year for health screening tests performed as the result of preventive care, including tests and diagnostic procedures ordered in connection with routine examinations.

This benefit is payable for each insured. The covered health screening tests include, but are not limited to, the following:

- Stress test on a bicycle or treadmill
- Bone marrow testing
- 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
- Flexible sigmoidoscopy
- Hemocult stool analysis
- Mammography
- Pap smear
- PSA (blood test for prostate cancer)
- Serum protein electrophoresis (blood test for myeloma)
- Thermography
- DNA stool analysis
- Spiral CT screening for lung cancer
- Blood test for triglycerides
- Serum cholesterol test to determine level of HDL and LDL
- Non-diagnostic vascular screening
- Immunization
- Urinalysis
- Vision screening
- Fasting blood glucose test

# Group Hospital Indemnity

Wake County - Semimonthly (24pp/yr)

Coverage	Rates
Employee	\$8.63
Employee & Dependent Spouse	\$17.36
Employee & Dependent Child(ren)	\$13.74
Family	\$22.47

## **Hospitalization Category:**

Hospital Admission	\$1,000
Hospital Confinement	\$100
Hospital Intensive Care Unit	\$100
Intermediate I.C. Step-Down Unit	\$75
Health Screening Benefit	\$50

## **Provisions:**

Waiver of Pre-existing Conditions Exclusion  
Waiver of Pregnancy Exclusion  
Waiver of Mental and Emotional Disorders Exclusion  
No Issue Age or Termination Age Limitations  
Rate Guarantee: 3 years  
Custom Commissions: 17% Level Commissions

## **Group Attributes:**

Situs State: NC  
Group Size: 3,600

*Please note: Premiums shown are accurate as of publication. They are subject to change.*

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Series C80000 - NC

HI80000-160804-111340-028VlsZJ-5Pkv75fK-06654

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## Limitations and Exclusions

(applies to all riders unless otherwise noted)

### Exclusions

We will not pay for loss due to:

- **War** – voluntarily participating in war, any act of war, or military conflicts, declared or undeclared, or voluntarily participating or serving in the military, armed forces, or an auxiliary unit thereto, or contracting with any country or international authority. (We will return the prorated premium for any period not covered by the certificate when the Insured is in such service.) War also includes voluntary participation in an insurrection, riot, civil commotion or civil state of belligerence. War does not include acts of terrorism.
- **Suicide** – committing or attempting to commit suicide, while sane or insane.
- **Self-Inflicted Injuries** – injuring or attempting to injure oneself intentionally.
- **Racing** – riding in or driving any motor-driven vehicle in a race, stunt show or speed test in a professional or semi-professional capacity.
- **Illegal Occupation** – voluntarily participating in, committing, or attempting to commit a felony or illegal act or activity, or voluntarily working at, or being engaged in, an illegal occupation or job.
- **Sports** – participating in any organized sport in a professional or semi-professional capacity.
- **Custodial Care** – this is non-medical care that helps individuals with the basic tasks of everyday life, the preparation of special diets, and the self-administration of medication which does not require the constant attention of medical personnel.
- **Treatment for being overweight, gastric bypass or stapling, intestinal bypass, and any related procedures, including any resulting complications.**
- **Services performed by a Family Member.**
- **Services related to sex or gender change, sterilization, in vitro fertilization, vasectomy or reversal of a vasectomy, or tubal ligation.**
- **Elective Abortion** – an abortion for any reason other than to preserve the life of the person upon whom the abortion is performed.
- **Dental Services or Treatment.**
- **Cosmetic Surgery**, except when due to:
  - Reconstructive surgery, when the service is related to or follows surgery resulting from a Covered Accidental Injury or a Covered Sickness, or is related to or results from a congenital disease or anomaly of a covered dependent child.
  - Congenital defects in newborns.

## Notices

This proposal is a brief description of coverage, not a contract. Read your policy and riders (as applicable) carefully for exact plan language, terms, and conditions.

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If this coverage will replace any existing individual policy, please be aware that it may be in your employees' best interest to maintain their individual guaranteed-renewable policy.

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Notice to Consumer: The coverages provided by Continental American Insurance Company (CAIC) represent supplemental benefits only. They do not constitute comprehensive health insurance coverage and do not satisfy the requirement of minimum essential coverage under the Affordable Care Act. CAIC coverage is not intended to replace or be issued in lieu of major medical coverage. It is designed to supplement a major medical program. Lack of major medical coverage (or other minimum essential coverage) may result in an additional payment with your taxes.

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