

**INSURANCE COMPANY OF SCOTT AND WHITE**  
**HOSPITAL CONFINEMENT INDEMNITY COVERAGE**

**REQUIRED OUTLINE OF COVERAGE**

- (1) **READ YOUR POLICY CAREFULLY.** This outline of coverage provides a very brief description of some 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 your insurance company. It is, therefore, important that you **READ YOUR POLICY CAREFULLY!**
- (2) Hospital confinement indemnity coverage is designed to provide you with a fixed daily benefit during periods of hospital confinement resulting from a covered injury or sickness. Coverage is provided for the benefits outlined in paragraph (3). The benefits described in paragraph (3) may be limited by paragraph (4).
- (3) We will pay the following benefits, as applicable, while coverage is in force. Treatment or confinement in a Hospital owned or controlled by a state, a local or the U.S. government, or a tax-supported Hospital, does not require a charge for benefits to be payable.

**A. HOSPITAL CONFINEMENT BENEFIT:** When a covered person requires Hospital Confinement for 14 or more hours for a covered Sickness or Injury, with the exception noted below, we will pay as follows for the Period of Hospital Confinement:

**1. HOSPITALIZATION FOR DAYS 1 THROUGH 7:**

We will pay \$100 (one hundred dollars) per day for each day you are charged.

**2. HOSPITALIZATION FOR DAYS 8 THROUGH 30:**

We will pay \$200 (two hundred dollars) per day for each day you are charged.

**3. HOSPITALIZATION FOR DAYS 31 THROUGH 180:**

We will pay \$400 (four hundred dollars) per day for each day you are charged.

**Benefits are not payable for days beyond the 180<sup>th</sup> day in a Period of Hospital Confinement. No lifetime maximum.**

**B. SHORT-STAY BENEFIT:** When a covered person incurs a charge for a bed due to confinement in a Hospital for a period of at least six but less than 14 hours and is not eligible for any other benefit in this policy, we will pay \$100 (one hundred dollars). For this benefit to be payable, your confinement must be Medically Necessary. **This benefit is not payable for confinement or treatment in an emergency room.** This benefit is payable only once per 24-hour period. No lifetime maximum.

**C. HEART ATTACK, STROKE, COMA AND PARALYSIS BENEFIT:**

1. We will pay \$2,000 (two thousand dollars) the first time a covered person is diagnosed as having had any one of the following, whichever occurs first:
  - a. Heart Attack,
  - b. Stroke,
  - c. Coma (for a period of at least seven days), or
  - d. Paralysis (for a period of at least 30 days).

We will pay this benefit no more than once per covered person. Lifetime maximum of \$2,000 (two thousand dollars) per covered person.

**IMPORTANT: The Heart Attack, Stroke, Coma or Paralysis must occur while coverage is in force. This benefit is subject to Part 2A, Limitations and Exclusions.**

**D. AMBULANCE BENEFIT:** If, due to a covered Sickness or Injury, a covered person requires ground ambulance transportation to or from a Hospital, we will pay \$100 (one hundred dollars). If air ambulance transportation is required due to a covered Sickness or Injury, we will pay \$1,000 (one thousand dollars). A licensed professional ambulance company must provide the ambulance service. This benefit is limited to two trips per calendar year per covered person. No lifetime maximum.

**E. WAIVER OF PREMIUM BENEFIT:** After you have received Hospital Confinement Benefits for 30 days in a Period of Hospital Confinement, we will waive from month to month any premium(s) falling due during your continued Hospital Confinement, regardless of your mode of premium payment. When Hospital Confinement Benefits are no longer being paid, premium payments must be resumed. In no event will waiver of premium be greater than one month's premium per one month waiver.

If you die and your spouse becomes the new Named Insured, premiums will start again and be due on the first premium due date after the change. The new Named Insured will then be eligible for this benefit if the need arises.

**F. CONTINUATION OF COVERAGE BENEFIT:** We will waive all monthly premiums due for the policy and riders for up to two months if you meet all of the following conditions:

1. Your policy has been in force for at least six months;
2. We have received premiums for at least six consecutive months;
3. Your premiums have been paid through payroll deduction and you leave your employer for any reason;

4. You or your employer notified us in writing within 30 days of the date your premium payments cease due to your leaving employment; and
5. You re-establish premium payments through:
  - (a) your new employer's payroll deduction process or
  - (b) direct payment to ICSW through ICSW's automatic payment system (APS) or other arrangements.

You will again become eligible to receive this benefit after:

1. You re-establish your premium payments through payroll deduction or direct payment for a period of at least six months;
2. We receive premiums for at least six consecutive months; and
3. You receive written notification from ICSW.

**“Payroll deduction” means your premium is remitted to ICSW for you by your employer through a payroll deduction process.**

“Automatic Payment System” means your premium is automatically debited from your account with a financial institution pursuant to an APS authorization agreement.

- (4) **A.** The Sickness benefits of this policy are subject to a 30-day waiting period. Benefits are not payable for: (1) any Sickness that is diagnosed or treated before coverage has been in force 30 days from the Effective Date as shown in the Policy Schedule or (2) any Sickness diagnosed or treated prior to the Effective Date of this policy. See the Pre-existing Conditions provision on the policy face page.

This policy does not cover losses caused by or resulting from:

- B.** intentionally self-inflicting bodily Injury or attempting suicide;
- C.** participating in any illegal activity that is classified as a felony (the term “felony” is as defined by the law of the jurisdiction in which the activity takes place);
- D.** being exposed to war or any act of war, including participation in terrorism perpetrated by a foreign national, declared or undeclared, or service in the armed forces;
- E.** having treatment for a mental or nervous disorder without demonstrable organic disease; alcoholism or drug dependency; any loss sustained or contracted due to a covered person's being intoxicated or under the influence of alcohol, drugs, or any narcotic unless administered on the advice of a Physician and taken according to the Physician's instructions (the term “intoxicated” refers to that condition as defined by the law of the jurisdictions in which the Injury or cause of the loss occurred);
- F.** having cosmetic surgery that is not Medically Necessary, unless such surgery is due to a congenital defect of a newborn child;

- G. having elective surgery that is not Medically Necessary within the first 12 months of the Effective Date of this policy;
- H. hospital confinement due to a normal pregnancy (complications of such pregnancy will be covered to the same extent as a Sickness);
- I. routine nursing or routine well-baby care for a newborn child;
- J. being hospitalized before the Effective Date of coverage.

(5) **Renewability**

**THIS POLICY IS GUARANTEED-RENEWABLE SUBJECT TO ICSW'S RIGHT TO CHANGE THE APPLICABLE TABLE OF PREMIUM RATES BY AGE, SEX or CLASS UPON ATTAINMENT or ANY RENEWAL DATE.**

We agree that this policy will never be restricted by the addition of any rider without your consent, nor will renewal be refused because of any change in any covered person's health or physical condition. You are guaranteed the right to renew this policy by the payment of premiums at the rate in effect at the beginning of each term.

**THIS POLICY IS GUARANTEED RENEWABLE.** That means that you have the right to keep the policy in force with the same benefits, except that we may discontinue or terminate the policy if: (1) You fail to pay premiums as required under the policy; (2) You have performed an act or practice that constitutes fraud, or have made an intentional misrepresentation of material fact, relating in any way to the policy, including claims for benefits under the policy; or (3) We stop issuing the policy in Texas, but only if we notify you in advance. We have the right to raise rates on your policy at each renewal, in a manner consistent with the policy and Texas law.

(6) **Premium**

The mode of payment of this policy is monthly. Each monthly premium maintains the policy in force for one (1) month.

**MODE OF PAYMENT:** [Monthly]

**PREMIUMS:**

Policy: [\$XX.XX]  
 Initial Premium: [\$XX.XX]

**EFFECTIVE DATES:**

Policy: [XX/XX/XX]  
 Initial Date: [XX/XX/XX]

**PREMIUMS ARE SUBJECT TO CHANGE.** ICSW may change the established premium rate, but only if the rate is changed for all policies of this class. "Class" means "all policies of this form number and premium classification (including age and sex) in your state that are then in force." If the established premium rate changes, ICSW will notify you in writing at your last known address at least 30 days before the change becomes effective.

A grace period of 31 days will be granted for the payment of each premium falling due after the first premium. During the grace period, this policy shall continue in force.

Renewal premiums for this policy will increase periodically depending upon your age, sex and policy year.