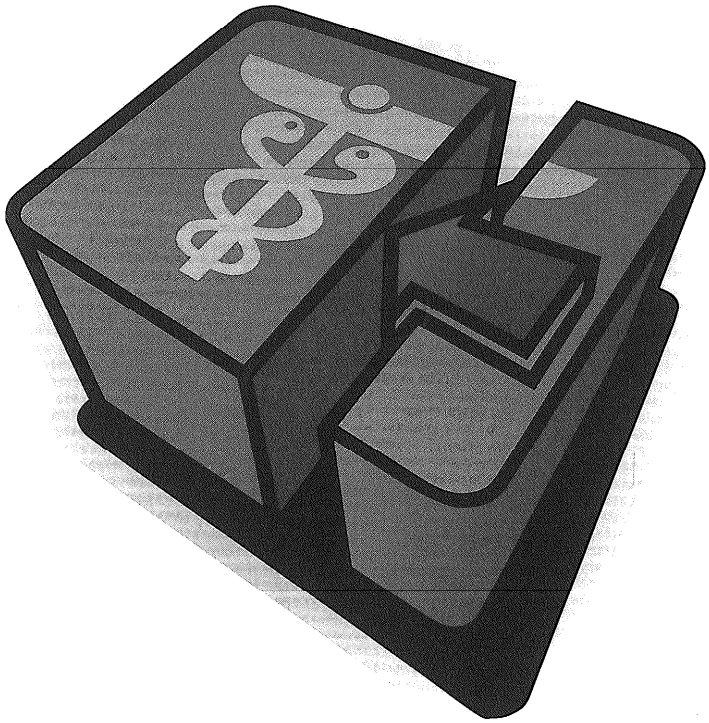

Voluntary Hospital GAP PLAN®

Supplemental Limited Benefit Medical Expense Insurance Policy

From American Fidelity Assurance Company
Protecting America's Paychecks®

Here's How the *Hospital* **GAP PLAN®** Works For You:

THREE BENEFITS

- *In-Hospital*
- *Outpatient*
- *Physician Outpatient Treatment*

THE IN-HOSPITAL BENEFIT IS PAYABLE FOR...

the difference between the ACTUAL Hospital expenses incurred as an Inpatient and the amount payable by the primary medical plan for out-of-pocket Covered Charges up to the maximum benefit selected per confinement.

THE OUTPATIENT BENEFIT IS PAYABLE FOR...

the difference between the ACTUAL outpatient expenses incurred and the amount paid by the primary medical plan for out-of-pocket Covered Charges up to a maximum outpatient benefit of $200.00 for outpatient treatment in a Hospital emergency room, outpatient surgery in a Hospital outpatient facility or free-standing outpatient surgery center, and diagnostic testing in a Hospital outpatient facility or MRI facility. All benefits for the same or related conditions will be subject to the maximum outpatient benefit, unless such conditions are separated by 90 consecutive days, then a new maximum outpatient benefit will apply.

THE PHYSICIAN OUTPATIENT TREATMENT BENEFIT IS PAYABLE FOR...

Physician visits up to $25.00 per visit, for up to five visits ($125.00) per family per calendar year, for outpatient treatment due to Sickness, or outpatient emergency care for an injury due to an Accident, provided the Covered Person is covered by Another Medical Plan when such charges are incurred, at a Hospital outpatient clinic, free-standing emergency care clinic, or Physician office for out-of-pocket Covered Charges.

IMPORTANT POLICY PROVISIONS

ELIGIBILITY

All active full-time employees who are working 18 hours or more per week, covered under Another Medical Plan, and under age 70 will be eligible for coverage. (The age 70 limit does not apply if you work for an employer employing 20 or more employees on a typical work day in the preceding calendar year.) This coverage is not appropriate for persons eligible for Medicaid.

You will be eligible for Dependent coverage on the day you become eligible for coverage or the day you acquire your first Dependent, whichever is later, provided the Dependent to be insured is covered under Another Medical Plan.

EFFECTIVE DATE OF COVERAGE

The insurance on any eligible person will take effect on the requested Effective Date or the Effective Date assigned by American Fidelity upon approval of such person's written application, whichever is later, if underwriting rules are met, such person is on Active Service, such person is covered under Another Medical Plan, and premium has been paid.

If an eligible person is not on Active Service due to an Accident or Sickness when his or her coverage is to take effect, it will take effect on the first day of the calendar month after the date such person returns to Active Service.

The Effective Date of coverage for each eligible Dependent will be the first of the month following American Fidelity's acceptance of the application and receipt of the first premium. However, if on such date your coverage has not yet taken effect, the Effective Date for Dependent coverage will be the same as your Effective Date. If a Dependent is Totally Disabled on the date coverage (with respect to that particular Dependent) would otherwise take effect, the coverage of that Dependent will be deferred until the first of the month following the Dependent's cessation of Total Disability.

DEPENDENT

A newborn child will become covered for Accident and Sickness automatically on the day he or she is born as long as your coverage was in force on that date. Accident or Sickness includes prematurity, congenital defects and birth abnormalities of a newborn child. The newborn child's coverage will not continue past the 31-day period following his or her birth unless American Fidelity is notified by the end of the 31-day period of the addition of such newborn child and any applicable additional premium is paid.

Coverage for newborn children will also include coverage for a newly-born child adopted by you, from the moment of birth, if a petition for adoption was filed within 31 days of the birth of the child and a child adopted by you from the date of petition for adoption. Coverage for the adopted child will not continue past 31 days after the date of filing of the petition unless American Fidelity is notified by the end of the 31-day period of the addition of such adopted child and any applicable additional premium is paid.

EXCLUSIONS

No benefits are payable under this Policy for any expenses incurred during any period the Covered Person does not have coverage under Another Medical Plan, except as provided in the Absence of Other Medical Plan provision, or which result from:

- suicide or any attempt, thereat, while sane or insane;
- any intentionally self-inflicted injury or Sickness;
- rest care or rehabilitative care and treatment;
- routine newborn care, including routine nursery charges;
- voluntary abortion except, with respect to you or your covered Dependent spouse:
  - where such person's life would be endangered if the fetus were carried to term; or
  - where medical complications have arisen from abortion;

- pregnancy of a Dependent child;
- participation in a riot, civil commotion, civil disobedience, or unlawful assembly. This does not include a loss which occurs while acting in a lawful manner within the scope of authority;
- commission of a felony;
- participation in a contest of speed in power driven vehicles, parachuting, or hang gliding;
- air travel, except as a fare-paying passenger on a commercial airline on a regularly scheduled route or as a passenger for transportation only and not as a pilot or crew member;
- intoxication (Whether or not a person is intoxicated is determined and defined by the laws and jurisdiction of the geographical area in which the loss occurred.);
- alcoholism or drug use, unless such drugs were taken on the advice of a Physician and taken as prescribed;
- sex changes;
- experimental treatment, drugs, or surgery;
- Pre-Existing Conditions for the first 12 months from the Effective Date of a Covered Person's coverage;
- an act of war, whether declared or undeclared, or while performing police duty as a member of any military or naval organization (This exclusion includes Accident sustained or Sickness contracted while in the service of any military, naval, or air force of any country engaged in war. American Fidelity will refund the pro rata unearned premium for any such period the Covered Person is not covered.);
- Accident or Sickness arising out of and in the course of any occupation for compensation, wage or profit (This does not apply to those sole proprietors or partners not covered by Workers' Compensation.);
- mental illness or functional or organic nervous disorders, regardless of the cause;
- dental or vision services, including treatment, surgery, extractions, or x-rays, unless:
  - resulting from an Accident occurring while the Covered Person's coverage is in force and if performed within 12 months of the date of such Accident; or
  - due to congenital disease or anomaly of a covered newborn child;
- routine examinations, such as health exams, periodic check-ups, or routine physicals;
- any expense for which benefits are not payable under the Covered Person's Other Medical Plan; or
- air or ground ambulance.

TERMINATION OF INSURANCE

Your insurance coverage will end on the earliest of these dates:

- the date you no longer qualify as an Insured;
- the end of the last period for which premium has been paid;
- the date the Policy is discontinued;
- the date you retire;
- your 70th birthday if your employer employs less than 20 employees;
- the date you cease to be on Active Service;
- the date your coverage under Another Medical Plan ends; or
- the date you cease employment with the employer through whom you originally became insured under the Policy.

Insurance coverage on a Dependent will end on the earliest of these dates:

- the date your coverage terminates;
- the end of the last period for which premium has been paid;
- the date the Dependent no longer meets the definition of Dependent;
- the date the Dependent's coverage under Another Medical Plan ends; or
- the date the Policy is modified so as to exclude Dependent coverage.

American Fidelity may end the coverage of any Covered Person who submits a fraudulent claim.

DEFINITIONS

"Accident" means sudden, unexpected and unintended injury:

- which is independent of any Sickness;
- over which the Covered Person has no control; and
- that takes place while the Covered Person's coverage is in force.

"Active Service" means that you are doing in the usual manner all of the regular duties of your employment on a full-time basis on any scheduled work day and these duties are being done at one of the places of business where you normally do such duties or at some location to which your employment sends you. You will be said to be on Active Service on a day which is not a scheduled work day only if you would be able to perform in the usual manner all of the regular duties of your employment if it were a scheduled work day.

"Covered Charges" means those charges that are incurred by a Covered Person because of an Accident or Sickness, are for necessary treatment, services and medical supplies and recommended by a Physician, are not more than any dollar limit set forth in the schedule of benefits, are incurred while insured under the Policy (subject to any Extension of Benefits), and are not excluded under Exclusions.

"Covered Person(s)" means you and your Dependents who are insured under the Policy.

"Dependent" means your:

- married spouse who is under age 70 and who lives with you (The age 70 limit does not apply if you work for an employer employing 20 or more employees on a typical work day in the preceding calendar year.); or
- unmarried child (natural, step or adopted) or grandchild who is not eligible for coverage as an Insured under the Policy and who:
  - is less than 25 years old and is your dependent for federal income tax purposes at the time application for coverage of the child is made. Coverage for your child's child may not be terminated solely because the covered child is no longer your dependent for federal income tax purposes; or
  - becomes incapable of self-support because of mental retardation or physical handicap while covered under the Policy and prior to reaching the limiting age for dependent children. The child must be dependent on you for support and maintenance. American Fidelity must receive proof of incapacity within 31 days after coverage would otherwise terminate. Coverage will then continue as long as your insurance stays in force and the child remains incapacitated. Additional proof may be required from time to time but not more often than once a year after the two-year period following the date the child attains age 25; or
  - you are legally required to support, and the child would otherwise qualify under the above.

"Hospital" shall not include any institution used as a place for rehabilitation, a place for rest or for the aged, a nursing or convalescent home, a long term nursing unit or geriatrics ward, or an extended care facility for the care of convalescent, rehabilitative or ambulatory patients.

"Inpatient" means confinement in a Hospital for at least 18 continuous hours in duration.

"Other (or Another) Medical Plan" means any basic Major Medical or Comprehensive Medical policy which includes managed care and through which a Covered Person has coverage. The term Other Medical Plan does not include CHAMPUS/TRICARE.

"Physician" means a practitioner of the healing arts who is practicing within the scope of his or her license in the state where so licensed and is not related to the Covered Person.

"Pre-Existing Condition" means a disease, Accident, Sickness, or physical condition for which the Covered Person had treatment, incurred expense, took medication, or received a diagnosis or advice from a Physician during the 12-month period immediately before the Effective Date of the Covered Person's coverage. The term "Pre-Existing Condition" will also include conditions which are related to such disease, Accident, Sickness or physical condition.

"Sickness" means illness or disease which starts while the Covered Person's coverage is in force and is the direct cause of the loss.

"Total Disability" (or Totally Disabled) means you are prevented from performing the material and substantial duties of your occupation. For Dependents, "Totally Disabled" means the inability to perform a majority of the normal activities of a person of like age in good health.

HOSPITAL GAP PLAN® MONTHLY RATES

	$500	$1,000	$1,500
Under 55:			
Employee Only	$14	$17	$20
Employee & Spouse	$26	$31	$37
Employee & Child(ren)	$25	$28	$32
Employee & Family	$37	$42	$49
Ages 55-59:			
Employee Only	$20	$24	$30
Employee & Spouse	$37	$43	$54
Employee & Child(ren)	$31	$35	$42
Employee & Family	$48	$54	$66
Ages 60 & Over:			
Employee Only	$31	$36	$46
Employee & Spouse	$56	$65	$83
Employee & Child(ren)	$42	$47	$58
Employee & Family	$67	$76	$95

Hospital GAP PLAN® Premium $ _____

Your Payroll Deduction Amount per _____ **is** $ _____

Family Owned, Family Values!®

American Fidelity Assurance Company

A member of the American Fidelity Group®

Protecting America's Paychecks®

2000 North Classen Boulevard • Oklahoma City, OK 73106

www.afadvantage.com

Call Toll Free 1-877-WORKSITE (967-5748)

THIS IS A LIMITED POLICY. This brochure highlights important features of the policy. Please refer to your certificate for complete details.

This policy is endorsed/sponsored by an association or issued through an association, an employer, or a trust in which the employer is a member, is intended to be covered by ERISA, and will be administered and enforced in accordance with ERISA.

This brochure is applicable only to residents of Texas. If you reside in a state other than your employer's state of domicile, where required by law, policy provisions and benefits may vary.

SB-8109T-0805

MCH# 9345; MCP# 46192;
018089-G1, 090-G2, 092-G4; G-908B-102