

# Hospital Indemnity Insurance Plan

Daily cash benefit to spend at your discretion.

It's no secret that a visit to the hospital, regardless of the length of time or severity of the illness, can be stressful, overwhelming, and scary. To make matters worse, people often mistakenly believe that their medical insurance plan has most of their expenses covered—that is, until they receive a bill from the hospital.

Fortunately, there's the Hospital Indemnity Insurance Plan (HIIP), which can help fill in the gaps that major medical insurance plans may not cover.

## Policies typically offer a variety of benefits.

In most cases, HIIP pays a cash benefit whenever you are admitted to the

hospital for medical treatment.<sup>1</sup> Since most policies operate a little differently, make sure you understand all the benefits and features that are available through your particular association. Depending on your needs, it may be worthwhile to see if the policy includes supplemental coverage for specific illnesses.

## Your association may offer the following benefits:



- Outpatient emergency care
- Ambulance
- Common accident



- Outpatient surgery
- Intensive care unit
- Intermediate intensive care



- Skilled nursing facility
- Cancer treatment
- Observation care

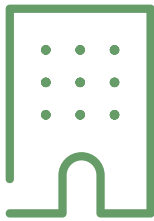


- Home convalescence
- Hospital confinement
- Residential treatment facility

## Here's how it works.

Submitting a claim is simple. And once it's approved, the money will be sent directly to you—not to your health care or service provider. That way, you are free to use the money to pay for needed medications and to cover deductibles and co-pays. There are no restrictions on how you use this money.<sup>2</sup>

Step 1: Charlie is admitted to the hospital for 20 days.



Step 2: Charlie files a claim for his hospital stay.



Step 3: The claim is approved, and Charlie receives money from the plan to spend at his discretion.



<sup>1</sup>Benefit payments require a covered stay. "Covered stay" means each day or days a covered person is confined in a hospital, skilled nursing facility, or residential treatment facility, if each day of the confinement satisfies the conditions stated in the covered stay section of the hospital indemnity insurance plan description.

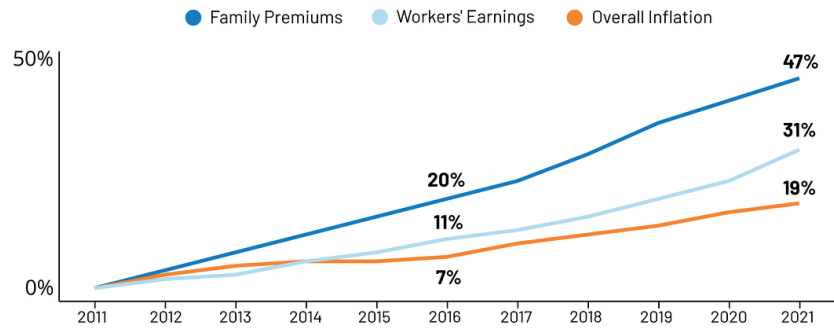
<sup>2</sup>This supplemental health plan is not a major medical insurance plan and is not intended to replace one.

## Out-of-pocket costs continue to rise—HIIP can help.

Due to higher co-pays, rising deductibles, and coverage limitations, out-of-pocket costs for hospital stays can be substantial. In combination, people are paying more in their health care costs than a decade ago. Deductibles alone have risen from \$991 to \$1,669 per individual. What's more, family premium costs are also on the rise increasing 47%, outpacing salary increases of 31% and inflation at 19% over the past decade.<sup>3</sup> As a result, people often have no choice but to draw from their savings or retirement accounts in order to pay for medical care.

## Costs of Coverage

### Over Time, Family Premiums Have Risen Faster than Wages and Inflation



SOURCE: KFF Employer Health Benefits Survey, 2018-2021; Kaiser/HRET Survey of Employer-Sponsored Health Benefits, 2011-2017; Bureau of Labor Statistics, Consumer Price Index, U.S. City Average of Annual Inflation, 2011-2021; Bureau of Labor Statistics, Seasonally Adjusted Data from the Current Employment Statistics Survey, 2011-2021.



## Fill in the gaps. Eliminate the worry.

Fortunately, there are ways to reduce the financial impact of a hospital stay and give your loved ones the security they deserve. As an active member of your association, you may be eligible for a guaranteed acceptance for a Hospital Indemnity Insurance Plan that can help protect your hard-earned savings and keep out-of-pocket medical expenses from breaking your family budget.

## Your acceptance, guaranteed.

One of the major advantages of your group coverage is that, as long as you meet the eligibility requirements, your acceptance is guaranteed. That means you—and possibly your spouse—can enroll without any medical underwriting or exams. Another benefit of group membership policies is that the coverage is often portable, which means that you can take it with you if you switch employers.

To find out more, including features, costs, eligibility, renewability, limitations, and exclusions, regarding HIIP, speak to your Group Plan Administrator.

<sup>3</sup>"Average family premiums rose 4% this year to top \$22,000; Employers boost mental health and telemedicine amid COVID-19 Pandemic, Benchmark KFF Survey Finds," Kaiser Family Foundation, November 10, 2021.

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