Why Do You Need A Hospital Indemnity Plan?

Did You Know?

- One out of every 12 Americans will incur an overnight hospital stay each year.¹
- The average length of a hospital stay is 4.6 days.²
- The average cost of a hospital stay is $8,400.²


Hospital care can be a very costly expense.

Think of the expenses that would occur if you were hospitalized, while you are paying for out-of-pocket medical expenses, personal expenses are slowly accumulating, such as:

- Lodging
- Travel
- Housekeeping
- Prescriptions
- Meals
- Loss Of Income

Hospital Indemnity Insurance helps provide financial protection when you incur a hospital confinement related expense. Your policy may pay benefits directly to you. You control how to use your benefit dollars.

AF Health Solutions® Hospital Indemnity Policy helps provide financial protection when you incur a hospital confinement related expense.

AF Health Solutions® Plan Highlights

- Benefits are paid directly to you.
- Convenient payroll deduction.
- Benefit payments may be directly deposited into your bank account.
- Several benefit plan options are available.

BENEFITS INCLUDE:

- Inpatient Hospital Admission
- Hospital Confinement
- Intensive Care Unit Confinement
- Rehabilitation Facility Confinement
- Ambulance
- Waiver of Premium
- Optional Outpatient Benefit Rider
Choose The Plan For You

<table>
<thead>
<tr>
<th>Plan Benefits</th>
<th>BASIC</th>
<th>ENHANCED</th>
<th>ENHANCED PLUS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INPATIENT HOSPITAL ADMISSION BENEFIT</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>per Calendar Year</td>
<td>$400</td>
<td>$600</td>
<td>$800</td>
</tr>
<tr>
<td><strong>HOSPITAL CONFINEMENT BENEFIT</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1st 90 days</td>
<td>$200</td>
<td>$300</td>
<td>$400</td>
</tr>
<tr>
<td>Day 91 up to 365</td>
<td>$400</td>
<td>$600</td>
<td>$800</td>
</tr>
<tr>
<td><strong>INTENSIVE CARE UNIT CONFINEMENT BENEFIT</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>per day</td>
<td>$200</td>
<td>$300</td>
<td>$400</td>
</tr>
<tr>
<td><strong>AMBULANCE BENEFIT</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ground</td>
<td>$50</td>
<td>$75</td>
<td>$100</td>
</tr>
<tr>
<td>Air</td>
<td>$250</td>
<td>$375</td>
<td>$500</td>
</tr>
<tr>
<td><strong>REHABILITATION FACILITY CONFINEMENT BENEFIT</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>per day</td>
<td>$100</td>
<td>$150</td>
<td>$200</td>
</tr>
</tbody>
</table>

**AMBULANCE BENEFIT**
We will pay a one-time benefit when a Covered Person requires ambulance transportation to a Hospital or Rehabilitation Facility and is confined as an Inpatient. A licensed ambulance company must provide the transportation. We will pay this benefit for any combination of air or ground ambulance service up to two trips per Covered Person per Calendar Year. If air and ground ambulance service are both required in the same day, we will pay only the highest benefit amount.

**REHABILITATION FACILITY CONFINEMENT BENEFIT**
When a Covered Person is confined to a bed as a resident Inpatient in a Rehabilitation Facility, as defined in the policy, we will pay a daily benefit up to 30 days for one period of Confinement. Confinement must be at least 18 consecutive hours and begin immediately following a Hospital Confinement.

Successive Rehabilitation Facility stays will be considered as one confinement if they are: due to the same or related Sickness or Injury; and separated by less than 30 days of confinement to a Hospital or Rehabilitation Facility. Successive Rehabilitation Facility stay must always immediately follow a Hospital Confinement.

**WAIVER OF PREMIUM BENEFIT**
After the Primary Insured has received the Hospital Confinement Benefit or the Rehabilitation Facility Benefit, or a combination of the two, for 30 consecutive days, we will waive any premium due for the policy and any attached riders after those 30 days. Premium will be waived until the end of the policy month when the Primary Insured is no longer receiving Hospital Confinement or Rehabilitation Facility Benefits. Premium must then be paid for the policy to stay in force. This benefit does not apply to a Spouse or Eligible Child.

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**INPATIENT HOSPITAL ADMISSION BENEFIT**
This benefit is paid once per Calendar Year when a Covered Person is admitted as a resident Inpatient to a Hospital and continuously confined for at least 24 continuous hours or more and is charged for room and board facilities. This does not include a person who is confined in a Hospital observation unit or Emergency Room. The Hospital Confinement Benefit must also be payable for the confinement.

**HOSPITAL CONFINEMENT BENEFIT**
We will pay a daily benefit when a Covered Person requires Hospital Confinement for at least 18 continuous hours. This benefit is payable up to 365 days per Covered Person per Hospital Confinement. We will not pay this benefit for outpatient treatment or a stay of less than 18 hours in an observation unit or Emergency Room. Successive Hospital stays will be considered as one confinement if they are: due to the same or related Sickness or Injury; and separated by less than 30 days of confinement to a Hospital or Rehabilitation Facility.

A Hospital is not an institution, or part thereof, used as: a hospice unit, including any bed designated as a hospice or a swing bed; a convalescent home; a rest or nursing facility; a rehabilitative facility; an extended-care facility; a skilled nursing facility; or a facility primarily affording custodial, educational care, or care or treatment for persons suffering from mental diseases or disorders, or care for the aged, or drug or alcohol addiction.

**INTENSIVE CARE UNIT CONFINEMENT BENEFIT**
When a Covered Person is confined in an Intensive Care Unit, as defined in the policy, we will pay you a daily benefit up to 30 days for one period of Hospital Confinement. One day is a continuous 24-hour period.

This benefit is paid in addition to the Hospital Confinement Benefit.
Optional Outpatient Benefit Rider

This Outpatient Benefit Rider offers four additional benefits. You may choose one unit of the rider or two units to double your rider benefits.

**OUTPATIENT SURGICAL & ANESTHESIA BENEFIT**
When a surgical operation is performed on a Covered Person on an outpatient basis in a Hospital or at an Ambulatory Surgical Facility, we will pay an indemnity benefit. We will pay the lesser of the surgical Benefit Maximum or the surgical unit value assigned to the procedure as shown in the most current Physician’s Fee Reference Manual, based on the Current Procedural Terminology (CPT) Code multiplied by the Relative Value Unit.

A benefit will be calculated as follows: Relative Value Unit x surgical unit value = Benefit Amount or Benefit Maximum.

We will also pay an additional 25% of the benefit amount paid for the surgical procedure for the services of an anesthesiologist received during the covered surgery. This benefit will be paid for a maximum of one surgical procedure per day. This benefit will not be paid for surgery performed in a Physician’s office or an Emergency Room.

**OUTPATIENT SURGICAL FACILITY BENEFIT**
This benefit pays a benefit for the facility fee charged for outpatient surgery in an Ambulatory Surgical Facility or a Hospital without subsequent confinement. This benefit will be paid once per day of surgery per Covered Person even if more than one surgical procedure performed. If the Covered Person’s outpatient surgery requires a Hospital stay of more than 18 hours, the Hospital Confinement Benefit will be paid in lieu of this benefit. This benefit will not be paid for surgery performed in an Emergency Room.

**MEDICAL IMAGING BENEFIT**
Pays for one of the following diagnostic tests per Covered Person per Calendar Year, requested by a Physician, up to a maximum of two tests per family per Calendar Year if the Plan Selected is other than Individual: Magnetic Resonance Imaging (MRI), Electroencephalogram (EEG), Computerized Tomography Scan (CT Scan or CAT Scan), Positron Emission Tomography Scan (PET Scan), Multiple Gated Acquisition (MUGA), Echocardiogram (ECG), Single Photon Emission Computer Tomography (Spect), Cardiovascular Stress Test (Treadmill Stress Test), or Pulmonary Ventilation/Perfusion Scan (V/Q Scan).

**EMERGENCY ACCIDENT ROOM TREATMENT BENEFIT**
Pays for one visit per Covered Person per Calendar Year up to a maximum of two visits per family per Calendar Year if the Plan Selected is other than Individual. This benefit will be paid when a Covered Person receives Emergency Room treatment in a Hospital for injuries sustained in an Accident while covered under this rider, when treatment is received within 72 hours of a covered Accident. If treatment requires an Emergency Room stay of more than 18 hours, the Hospital Confinement benefit will be paid in lieu of this benefit.

<table>
<thead>
<tr>
<th>Optional Outpatient Benefit Rider Benefits</th>
<th>ONE UNIT</th>
<th>TWO UNITS</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OUTPATIENT SURGICAL &amp; ANESTHESIA BENEFIT</strong></td>
<td>$15 Relative Value Unit</td>
<td>$30 Relative Value Unit</td>
</tr>
<tr>
<td>Benefit Maximum</td>
<td>$1,000</td>
<td>$2,000</td>
</tr>
<tr>
<td><strong>OUTPATIENT SURGICAL FACILITY BENEFIT</strong></td>
<td>$200/day of Surgery</td>
<td>$400/day of Surgery</td>
</tr>
<tr>
<td><strong>MEDICAL IMAGING BENEFIT</strong></td>
<td>$100 per Calendar Year</td>
<td>$200 per Calendar Year</td>
</tr>
<tr>
<td><strong>EMERGENCY ACCIDENT ROOM TREATMENT BENEFIT</strong></td>
<td>$75 per Calendar Year</td>
<td>$150 per Calendar Year</td>
</tr>
</tbody>
</table>
Family Coverage

**FAMILY PLAN**
Covers you (age 18-64), your lawful Spouse (age 18-64) and each Eligible Child (under 21 or under 25 years of age if attending an accredited school full-time), as defined in the policy, including a newborn child.

**SINGLE PARENT FAMILY PLAN**
Covers you and each Eligible Child, as defined in the policy, including a newborn child.

**INDIVIDUAL & SPouse PLAN**
Covers you and your Spouse.

Guaranteed Renewable

The policy and rider are guaranteed renewable until the Primary Insured reaches age 70, provided you pay the required premiums when due or within premium grace period, to keep coverage in force. We cannot cancel or refuse this Policy’s renewal or increase premiums due to age or health. However, premiums may change if based on your premium class, but only if we change premiums for all similar policies in your state of issue.

American Fidelity Is On Your Side

Since we specialize in providing financial solutions to the education community, you can trust that you are getting a quality product tailored for your lifestyle. American Fidelity has been providing insurance benefits and services specifically for the education worksite for over 50 years and we strive to make our products affordable for all salary levels.

The AF Health Solutions® Hospital Indemnity Plan is designed to work with your regular health insurance to provide protection in the event of hospitalization. There are two plans to choose from, with different benefit amounts, so you can feel comfortable with the amount you elect.

Don’t take any chances with your financial security. Speak to your assigned American Fidelity Account Representative today for details on how AF Health Solutions® can work for you!
## Hospital Indemnity Monthly Premiums

<table>
<thead>
<tr>
<th>BASIC PLAN</th>
<th>AGE 18 TO 45</th>
<th>AGE 46 TO 55</th>
<th>AGE 56 TO 64</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Base</td>
<td>Base &amp; 1 Unit</td>
<td>Base &amp; 2 Units</td>
</tr>
<tr>
<td>Individual</td>
<td>$19.50</td>
<td>$34.60</td>
<td>$49.70</td>
</tr>
<tr>
<td>Primary Insured &amp; Spouse</td>
<td>35.00</td>
<td>63.60</td>
<td>92.20</td>
</tr>
<tr>
<td>Single-Parent Family</td>
<td>34.00</td>
<td>59.00</td>
<td>84.00</td>
</tr>
<tr>
<td>Two-Parent Family</td>
<td>49.50</td>
<td>88.00</td>
<td>126.50</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ENHANCED PLAN</th>
<th>AGE 18 TO 45</th>
<th>AGE 46 TO 55</th>
<th>AGE 56 TO 64</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Base</td>
<td>Base &amp; 1 Unit</td>
<td>Base &amp; 2 Units</td>
</tr>
<tr>
<td>Individual</td>
<td>$29.26</td>
<td>$44.36</td>
<td>$59.46</td>
</tr>
<tr>
<td>Primary Insured &amp; Spouse</td>
<td>52.50</td>
<td>81.10</td>
<td>109.70</td>
</tr>
<tr>
<td>Single-Parent Family</td>
<td>51.00</td>
<td>76.00</td>
<td>101.00</td>
</tr>
<tr>
<td>Two-Parent Family</td>
<td>74.26</td>
<td>112.76</td>
<td>151.26</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ENHANCED PLUS PLAN</th>
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<tbody>
<tr>
<td></td>
<td>Base</td>
<td>Base &amp; 1 Unit</td>
<td>Base &amp; 2 Units</td>
</tr>
<tr>
<td>Individual</td>
<td>$39.00</td>
<td>$54.10</td>
<td>$69.20</td>
</tr>
<tr>
<td>Primary Insured &amp; Spouse</td>
<td>70.00</td>
<td>98.60</td>
<td>127.20</td>
</tr>
<tr>
<td>Single-Parent Family</td>
<td>68.00</td>
<td>93.00</td>
<td>118.00</td>
</tr>
<tr>
<td>Two-Parent Family</td>
<td>99.00</td>
<td>137.50</td>
<td>176.00</td>
</tr>
</tbody>
</table>

Rates are calculated based at Primary Insured’s age on effective date of coverage. Rates will not increase because of age once policy is issued. The company has the right to change premium rates by class. The premium and amount of benefits may vary dependent upon the plan selected. This policy will not be issued to anyone who does not meet American Fidelity Assurance Company’s insurability requirements.
Policy Provisions

PRE-EXISTING CONDITION LIMITATION
No benefits are payable for any loss incurred during the first 12 months following the Covered Person’s Effective Date of coverage as a result of a Pre-Existing Condition (including a Pre-Existing pregnancy), as defined in the policy. Pre-Existing Conditions specifically named or described as excluded in any part of the contract are never covered. A Pre-Existing Condition is any Sickness or Injury for which, within 12 months prior to the Effective Date of coverage, medical advice, consultation or treatment, including prescribed medications, was recommended by or received from a member of the medical profession, or for which symptoms manifested in such a manner as would cause an ordinarily prudent person to seek diagnosis, medical advice or treatment. Pre-Existing Condition also includes any pregnancy that exists on the Effective Date of this policy (Complications of Pregnancy will be covered as any other Sickness).

EXCLUSIONS
No benefits will be provided for loss incurred for Sickness, or Injuries received in an Accident, that is caused by or occurs as a result of:
(1) intentionally self-inflicted bodily injury, suicide or attempted suicide, whether sane or insane;
(2) travel in or descent from any vehicle of aerial navigation or form of flight aviation other than as a fare-paying passenger in a fully licensed/passenger-carrying aircraft;
(3) any act that was caused by war, declared or undeclared, or service in any of the armed forces;
(4) participation in any activity or event while intoxicated or under the influence of any narcotic unless administered by a Physician or taken according to the Physician’s instructions;
(5) participation in, or attempting to participate in, a felony, riot or insurrection (A felony is as defined by the law of the jurisdiction in which the activity takes place.);
(6) alcoholism or drug addiction, unless drugs are taken as prescribed by a Physician;
(7) dental care or dental procedures, unless due to a covered Accident;
(8) treatment received in a Hospital for a newborn child that is not due to such newborn child’s Sickness or Injury;
(9) pregnancy of an Eligible Child, including services rendered to her and her child after birth;
(10) a neurosis, psychoneurosis, psychopathy, psychosis, or mental or emotional disease or disorder of any kind (Alzheimer’s Disease and other organic senile dementias are covered under this policy.);
(11) cosmetic surgery, including complications of cosmetic surgery, that is not Medically Necessary (Correction of congenital birth defects or anomalies of a child, or reconstructive surgery related to a covered Sickness or Injury is not included.);
(12) elective surgery, including complications of elective surgery;
(13) medical treatment received outside the United States or its territories;
(14) services rendered by a member of the immediate family of a Covered Person;
(15) participation in any sport for pay or profit;
(16) participation in any contest of speed in a power driven vehicle for pay or profit;
(17) participation in parachuting, bungee jumping, rappelling, mountain climbing, or hang gliding.

This product is inappropriate for persons eligible for Medicaid.
The Company Behind Your Plan

American Fidelity Assurance Company is a third-generation, family-owned organization providing insurance products and financial services to education employees, trade association members and companies throughout the United States and across the globe. Since 1982, American Fidelity has been rated “A+” (Superior)\(^1\) by A.M. Best Company. Considered one of the nation’s leading insurance company rating services, A.M. Best bases its ratings on an analysis of the financial condition and operating performance of insurance companies in such vital areas as: Competency of Underwriting, Control of Expenses, Adequacy of Reserves, Soundness of Investments and Capital Sufficiency. The 2011 Standard and Poor’s Insurance Rating Report has given American Fidelity an “Api”\(^2\) rating. The qualified solvency ratings assigned by S&P are based on the analysis of quantitative data such as Capital Strength, Quality of Assets, Profitability and Liquidity.

American Fidelity Assurance Company is proud to count itself among Fortune\(^3\) magazine’s “100 Best Companies to Work For” in America for the ninth straight year. We know that satisfied employees result in satisfied customers, which is an important foundation of American Fidelity’s approach to business.

American Fidelity is founded on and driven by the principle of serving our customers and protecting their investment. We continue to grow steadily through calculated growth and conservative investment practices.

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\(^1\) www.ambest.com/consumers (April 3, 2012) (A+ is the 2nd out of 16 with 1 being the highest)

\(^2\) www.standardandpoors.com (December 15, 2011) (Api is 6th out of 22 with 1 being the highest)

\(^3\) FORTUNE Magazine, February 6, 2012 Issue (47th out of 100, with 1 being the highest)

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American Fidelity Assurance Company

Our Family, Dedicated to Yours™

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