ADDITIONAL PROTECTION AGAINST THE HIGH COSTS OF HOSPITAL EXPENSES

Flexible Choice Supplemental Hospital Indemnity Insurance can help relieve financial stress.
Hospital coverage can help give you a more secure financial future.

It’s no secret that hospital visits can be expensive. However, there are other hospital expenses that can also prove costly. These include hospital stays, emergency room treatments, ambulance transportation and more. Having a supplemental individual hospital indemnity insurance policy can be a smart financial decision – one that provides additional protection for you and your loved ones.

What our base policy offers
- Benefits are paid for hospital admission, overnight hospital confinements, emergency room treatments, ambulance transportation, urgent care centers, inpatient surgery and intensive care.
- There are no network restrictions. That means you’ll be paid the same amount no matter what hospital you choose.
- Coverage can be for you, your spouse/partner and/or your family.
- Policies are issued to individuals between the ages of 18 through 64. All base policy benefits reduce by 50% at age 65.
- Your policy is guaranteed renewable for life, regardless of your age or changes to your health.2
- You can purchase riders for an additional premium. Riders offer coverage for unexpected health care costs. We can help you customize your coverage to fit your needs. Riders include:
  - Accident Fixed Indemnity
  - Lump Sum Cancer and Recurrence
  - Lump Sum Heart Attack, Stroke and Restoration
  - Specified Disease

How your policy works
- You and/or a covered family member receive benefit payments – regardless of other insurance you may have – whenever you or your covered family member are admitted to a hospital or experience a covered, hospital-related event resulting from a covered injury or illness.
- This is a fixed-benefit policy, meaning the plan will pay the specific amount you preselected, regardless of the amount charged by providers.
- Benefits are paid directly to you.3 You can use your benefits for anything you want, such as home-care costs, mortgage or rent payments, prepared meals, child care, everyday expenses and more.4
- There is no deductible.
- Benefits can help you cover out-of-pocket medical expenses.

Being in a hospital is a challenging period – when recovery is the number one concern. It’s definitely not the time to be stressed about medical costs.

Prepare now. Get payments when you need them.

Major health insurance plans cover many medical costs, but they may not meet all of your expenses. For example, policies may include a deductible which must be met before the policy pays 100% of your benefits. Deductible amounts vary from policy to policy. However, they have one thing in common: They can often put a dent in your household budget.

A Flexible Choice Hospital Insurance policy, insured by Loyal American Life Insurance Company, can help you cover the amount of your out-of-pocket expenses. Your policy can also help with household expenses while you’re hospitalized, such as pet sitting, lawn care and more.4

---
1. The term “hospital” does not include a clinic or facility, including a skilled nursing facility or an urgent care center, or a unit of a hospital for: Rehabilitation, convalescent care, custodial care, educational or nursing care for the aged, care for chemical dependence or alcohol dependence, or used exclusively for the treatment of mental and nervous disorders.
2. Subject to the company’s right to increase premiums on a class basis.
3. Benefits may be paid directly to the hospital upon assignment.
4. Benefits received in excess of medical expenses may be considered taxable income. Consult your tax advisor.
Jim was relieved he had a hospital insurance policy\(^5\)

Jim is a 45-year-old man living in Pennsylvania. One day, he was doing some yard work and felt chest pains. He also experienced dizziness and shortness of breath. Jim’s wife, Susan, took no chances and called 911. It turns out that Jim was experiencing a mild heart attack. He was admitted into the hospital and stayed for two nights.

The good news was that Jim had a medical health care plan. The great news was that he also decided to supplement his medical health plan with a Flexible Choice Hospital Insurance policy.

Since Jim was diagnosed with a heart attack, he may have received additional benefits if he had also purchased a Supplemental Lump Sum Heart, Stroke and Restoration Rider – which offers lump-sum benefit payments ranging from $10,000 to $ 50,000.

<table>
<thead>
<tr>
<th>Here’s how it worked out for Jim</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jim’s out-of-pocket expenses</td>
</tr>
<tr>
<td>Benefit amount from Jim’s Direct Choice policy</td>
</tr>
<tr>
<td>Ambulance Transportation Benefit</td>
</tr>
<tr>
<td>Emergency Room Benefit</td>
</tr>
<tr>
<td>Hospital Admission Benefit</td>
</tr>
<tr>
<td>Hospital Confinement Benefit</td>
</tr>
<tr>
<td>Total amount paid to Jim</td>
</tr>
</tbody>
</table>

\(5\). Example used for illustrative purposes only. These are examples only and actual coverage and benefit amounts will vary by policy design. Age-based reduction of benefits apply. Coverage is subject to all terms and conditions as specified in the policy.
Covered benefits

If you’re faced with covered hospital-related expenses, we’re here to help. The following benefits may be included in your policy. Please refer to the chart on page six of this brochure for coverage options, including the benefit amounts that are payable. You have the opportunity to choose the benefits you want at rates that fit your budget.

**Hospital Admission**
You’ll receive a benefit payment when you’re admitted as an inpatient in a hospital due to a covered illness or injury. This hospital admission must occur within 90 days of the covered accident and the admission must be at the direction and under the treatment of a physician. This benefit will be paid in addition to the Hospital Confinement benefit or the Intensive Care Unit Confinement benefit. Benefit payments are limited to one admission per insured person per calendar year, whether for the same or different covered illness or injury.

**Hospital Confinement**
A daily benefit will be paid when you’re confined to a hospital as an inpatient due to a covered illness or injury. Your hospital confinement must begin within 90 days of the covered accident and must be provided at the direction and under the treatment of a physician. If the insured person returns to the hospital within 90 days for the same or related illness or injury, we will count it as the same hospital confinement.

Benefit payments are limited to a maximum of 31 days per insured person per calendar year.

**Ambulance Transportation**
Paid when a licensed professional ambulance company transports any insured person by air, ground or water to a hospital – or between medical facilities where treatment is received for a covered illness or injury. Ground/water transportation, due to an injury, must occur within 90 days of the covered accident. Air ambulance transportation, due to an injury, must occur within 72 hours of the covered accident.

Limited to one payment per insured person per illness or injury with a combined maximum of two payments per calendar year. When an insured person is transported by two separate ambulances for the same covered illness or injury, we’ll pay the ground, water or air ambulance benefit for whichever benefit amount is greatest. We will pay the ambulance benefit directly to any provider of covered medical transportation services if the provider has not received payment for those services from any other source.

**Emergency Room Treatment**
When you receive emergency treatment in an emergency room due to a covered illness or injury, we’ll pay a benefit. The treatment must be provided at the direction of a physician, or a licensed health care professional who is under the supervision of a physician, within 72 hours of a covered accident. The insured person must be (or remain) under the treatment of the attending physician. Limited to a maximum of two payments per insured person per calendar year.
Inpatient Surgery
Benefits are paid when you receive surgery by a qualified surgeon in a hospital on an inpatient basis for a covered illness or injury. Surgery (an invasive or open surgical procedure) due to a covered injury must be provided under the supervision of a qualified surgeon within 90 days of the covered accident. Limited to one surgery, per insured person per calendar year.

Urgent Care Treatment
If you receive treatment in an urgent care center due to a covered illness or injury, you’ll receive a benefit payment. Treatment for a covered injury must be rendered by a physician or licensed health care professional who is under the supervision of a physician, within 90 days of the covered accident. When a person is eligible for the Urgent Care Treatment benefit and/or Emergency Room Treatment benefit for the same illness or injury, we’ll pay for whichever benefit amount is greatest. Limited to a maximum of two payments per insured person per calendar year.

Intensive Care Unit Confinement
If you’re confined to an intensive care unit, we’ll pay the benefit for each day that charges are incurred. Intensive care unit confinement due to a covered injury must begin within 90 days of the covered accident. Confinement must be provided at the direction and under the treatment of a physician. When the insured person is released from the hospital intensive care unit and returns within 90 days for the same or related covered illness or injury, we will count it as the same hospital intensive care unit confinement. However, if the insured person is out of the hospital intensive care unit for at least 90 days and then returns for the same or a related illness or injury, it will be counted as a different intensive care unit confinement. The intensive care unit confinement benefit is limited to ten days per calendar year.
What option is right for you?

There are many factors when choosing the right option, including costs, benefits provided and amounts that the benefits will pay. Your selections are based on what would make you feel most comfortable in terms of coverage and cost. Our Direct Choice policy is designed for those age 18 through 64 and is available in two different options.

Choose the payment amounts that work for you.

Once you’ve chosen an option (based on the amount of benefits you’d prefer), you can decide on the amount of coverage you would like. As the charts below illustrate, certain benefits offer a range of possible payments. For example, for hospital confinement, you can choose benefit payments that range from $100 to $1,000 a day.

A licensed insurance agent can work with you to help you determine what’s right for you and your family. The following options show the payment amounts you’ll be eligible to receive for specific benefits.

<table>
<thead>
<tr>
<th>Benefits</th>
<th>Benefit payment amount options</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hospital admission</td>
<td>$500 or $1,000</td>
</tr>
<tr>
<td>Hospital confinement (per day)</td>
<td>$100–$1,000</td>
</tr>
<tr>
<td>Emergency room treatment</td>
<td>$50</td>
</tr>
<tr>
<td>Inpatient surgery</td>
<td>$1,000</td>
</tr>
<tr>
<td>Intensive care unit (per day)</td>
<td>$500</td>
</tr>
<tr>
<td>Urgent care center</td>
<td>$50</td>
</tr>
<tr>
<td>Ambulance transportation</td>
<td>$100 for ground and $1,000 for air</td>
</tr>
</tbody>
</table>

6. Plan design is permissible with a health savings account (HSA).
It’s about choices and control.

We offer additional coverage that can help protect you when you need it most. These valuable options are called “riders” and are available for an additional premium.

**Accident Fixed Indemnity Benefit Rider**

(FORM # LY-AI-RD-CA)

Accidents happen. And the right coverage can help protect you from unexpected expenses. This rider pays a fixed indemnity benefit when an insured person suffers covered injuries in a covered accident.

This rider also includes benefits for accidental death and dismemberment if an insured person passes away as a direct result of a covered accident. Benefit will also be paid if an insured person passes away from a covered accident while riding as a passenger in or on a common airline carrier, or while boarding or alighting.

See the Accident Fixed Indemnity Benefit Rider Schedule in the Outline of Coverage for a complete list of benefits. Just ask your Cigna customer representative for a copy.

The rider provides benefits for:

- Second- and third-degree burns
- Concussion
- Dislocation of separated joints
- Emergency dental work
- Eye injury
- Fractured/broken bone
- Laceration
- Paralysis
- Surgical procedures
- Accident emergency treatment
- Ambulance transportation
- Appliance
- At home recovery
- Attending physician
- Blood
- Plasma and platelets
- Diagnostic imaging
Supplemental Lump Sum Cancer and Recurrence Rider

A cancer diagnosis can happen at any time, even if you lead a healthy lifestyle. Cancer coverage can help pay for extra costs associated with treatment. It helps to be prepared.

With our Supplemental Lump Sum Cancer and Recurrence Rider, if you are diagnosed with a covered cancer or carcinoma in situ, you get 100% of your chosen benefit amount, from $10,000 to $50,000 and $10,000 for covered children. You can use this money however you’d like.

If you are concerned about your cancer returning, this rider may pay a percentage of your selected benefit amount, not to exceed an additional 100%. Benefits are payable as long as you have not received advice or treatment for at least two years from the date of your last cancer diagnosis.

### Lump Sum Cancer benefits

<table>
<thead>
<tr>
<th>Qualifying event</th>
<th>Percentage of amount payable for each event</th>
<th>Maximum percentage of amount payable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cancer</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Carcinoma in situ</td>
<td>100%</td>
<td></td>
</tr>
</tbody>
</table>

7. Payable only once in an insured’s lifetime.
8. Coverage must be in force.
Supplemental Lump Sum Heart, Stroke and Restoration Rider
(Form # L Y-LSHR-RD-CA)

A heart attack, stroke or other heart-related surgery can be costly. With our Supplemental Lump Sum Heart, Stroke And Restoration Rider, you get a percentage of your chosen benefit amount – from $10,000 to $50,000 – should you receive a diagnosis of a covered heart attack or stroke or if you have a qualifying event, subject to the maximum benefit amount.

Benefits will also be paid if you are diagnosed with subsequent covered heart attacks, strokes or require a heart transplant, provided the date of your last diagnosis for a heart attack, stroke or heart transplant was at least two years from your current diagnosis.

<table>
<thead>
<tr>
<th>Qualifying event</th>
<th>Percentage of amount payable for each event</th>
<th>Maximum percentage of amount payable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Heart attack</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Heart transplant</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Stroke</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Coronary artery bypass surgery⁷</td>
<td>25%</td>
<td>25%</td>
</tr>
<tr>
<td>Aortic surgery⁷</td>
<td>25%</td>
<td>25%</td>
</tr>
<tr>
<td>Heart valve replacement/repair surgery⁷</td>
<td>25%</td>
<td>25%</td>
</tr>
<tr>
<td>Angioplasty⁷</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>Stent⁷</td>
<td>10%</td>
<td>10%</td>
</tr>
</tbody>
</table>

Lump Sum Heart, Stroke and Restoration Rider qualifying events timeline

<table>
<thead>
<tr>
<th>Time period from last date of diagnosis</th>
<th>Percentage of benefit amount payable</th>
<th>Maximum percentage of amount payable</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less than 24 months</td>
<td>0%</td>
<td>100%</td>
</tr>
<tr>
<td>24 months or more, but less than five years</td>
<td>25%</td>
<td>100%</td>
</tr>
<tr>
<td>Five years or more, but less than 10 years</td>
<td>75%</td>
<td>100%</td>
</tr>
<tr>
<td>10 years or more</td>
<td>100%</td>
<td>100%</td>
</tr>
</tbody>
</table>

Supplemental Specified Disease Benefit Rider
(Form # L Y-HISD-RD-CA)

We will pay 100% of your chosen benefit amount – from $5,000 to $50,000 – when you get a diagnosis or procedure⁸ from a physician for one of the following covered specified diseases:
› Amyotrophic lateral sclerosis (ALS)
› Coma
› End-stage renal failure
› Paralysis
› Major organ transplant
› Multiple sclerosis (MS)
› Severe burns

Each insured person is limited to one Specified Disease Benefit amount and subject to the following conditions.
› Diagnosis must be made within the United States.
› The date of diagnosis or procedure shall occur while the insured person is covered by this rider. If the date of diagnosis or procedure of two or more specified diseases is the same day, we will pay only one specified disease benefit.
Exclusions and limitations

Supplemental Individual Hospital Indemnity Insurance Policy

POLICY BENEFIT AMOUNTS REDUCE 50% AT ATTAINED AGE 65.

In addition to any benefit-specific conditions, limitations, or exclusions, no benefits will be payable for a covered illness or covered injury which is caused by or results from any of the following:

1. Flight in, boarding, or alighting from an aircraft or any craft designed to fly above the Earth’s surface except as a fare-paying passenger on a regularly scheduled commercial or charter airline;

2. Elective or cosmetic surgery or complications of cosmetic surgery, except for mastectomies and lymph node dissections. This does not include reconstructive, cosmetic surgery: i) incidental to or following surgery for trauma, infection, or other disease of the involved part; or ii) due to congenital disease or anomaly of a covered dependent child which has resulted in a functional defect;

3. Dental treatment of the teeth, gums, or structures directly supporting the teeth including dental x-rays, examinations, repairs, orthodontics, periodontics, casts, splints, and services for dental malocclusion for any condition are not covered, except if provided for or in connection with a covered injury to sound natural teeth and a continuous course of dental treatment is started within six (6) months of the covered injury. Sound natural teeth are defined as natural teeth that are free of active clinical decay, have at least 50% bony support, and are functional in the arch;

4. Participation in any of the following activities: bungee jumping, parachuting, skydiving, parasailing, hang gliding, deep-sea scuba diving, parkour, free running, sail gliding, parakiting, bronc or bull riding; any motorized race or contest of speed, to include off-road vehicles that may not require a license;

5. Any mental or nervous or emotional disorder;

6. Active-duty service in the military, naval or air force of any country or international organization. Upon our receipt of proof of service, we will refund any premium paid during the insured person’s time of active duty. Reserve or National Guard active-duty training is not excluded, unless it extends beyond thirty-one (31) consecutive days;

7. We will not pay benefits for a covered illness or covered injury caused by, contributed to, or resulting from a preexisting condition during the first six (6) months that coverage is in force with respect to an insured person. The term “preexisting condition” means any covered illness or covered injury for which an Insured person received a medical diagnosis or treatment within six (6) months before the insured person’s most recent effective date of coverage. This limitation will not apply to a covered illness or covered injury that occurs after the insured person is insured under this policy for at least six (6) months after the insured person’s effective date of coverage. This preexisting condition limitation will not apply to congenital anomalies of a covered dependent child;

8. Pregnancy or childbirth (except for complications of pregnancy, nonelective miscarriage, and nonelective abortion which are considered as any other illness), an elective abortion, or complications of such abortion;

9. Suicide (while sane or insane), attempted suicide, or intentionally self-inflicted injury;

10. Treatment outside the United States;

11. War or act of war (whether declared or undeclared);

12. Commission of or active participation in a riot, insurrection, rebellion, or police action; or

13. We shall not be liable for any loss sustained or contracted in consequence of the insured person being intoxicated or under the influence of any controlled substance unless administered on the advice of a physician.
Supplemental Lump Sum Heart, Stroke, and Restoration Rider (LY-LSHR-RD-CA)

This rider is subject to the exclusions and limitations outlined in the policy. In addition to any benefit-specific conditions, limitations, or exclusions, no benefits will be payable under this rider for:

1. Any disease, illness, or incapacity other than qualifying events as defined;
2. Loss that begins prior to the rider effective date;
3. A qualifying event diagnosed during the waiting period;
4. Any illness specifically excluded from the definition of qualifying events listed in this rider.

Waiting period: This rider has a thirty (30) day waiting period. Waiting period means the first thirty (30) days following an insured person's rider effective date. No benefits will be paid for a qualifying event that is diagnosed during the waiting period. If an insured person is diagnosed with a qualifying event during the waiting period, we will terminate the insured person's coverage under this rider and refund the applicable portion of premium paid for that insured person's coverage.

Preexisting condition(s): The benefits of this rider will not be payable during the first six (6) months that coverage is in force with respect to an insured person for any loss caused by preexisting condition(s). This six (6) month period is measured from the rider effective date for each insured person. Preexisting condition means a condition diagnosed or for which a medical diagnosis or treatment was received from a physician within six (6) months prior to the rider effective date.

Supplemental Lump Sum Cancer and Recurrence Rider (LY-LSCR-RD-CA)

If you are diagnosed within the first 30 days following the effective date of the rider, the benefit amount payable will be reduced to 10% of the selected benefit amount, and your coverage will be terminated.

This rider is subject to the exclusions and limitations outlined in the policy. In addition to any benefit-specific conditions, limitations, or exclusions, no benefits will be payable under this rider for:

1. Any disease, illness, or incapacity other than cancer or carcinoma in situ as defined;
2. Loss that begins prior to the rider effective date;
3. Diagnosis received outside the United States or its territories, unless otherwise specified in this rider; or
4. Any illness specifically excluded from the definition of cancer or carcinoma in situ.

Preexisting condition(s): The benefits of this rider will not be payable during the first six (6) months that coverage is in force with respect to an insured person for any loss caused by preexisting condition(s). This six (6) month period is measured from the rider effective date for each insured person. Preexisting condition means a condition diagnosed or for which a medical diagnosis or treatment was received from a physician within six (6) months prior to the rider effective date.

Supplemental Specified Disease Benefit Rider (LY-HISD-RD-CA)

This rider does not cover any disease, illness, incapacity or procedure other than the specified diseases defined earlier in this brochure, even though another disease or incapacity may have been complicated, aggravated or directly affected by the specified disease or its treatment.

Exclusions - what we will not pay for: This rider is subject to the exclusions and limitations outlined in the policy. In addition to any benefit-specific conditions, limitations, or exclusions, no benefits will be payable under this rider for loss that begins prior to the effective date of coverage.

Preexisting condition(s): The benefits of this rider will not be payable during the first six (6) months that coverage is in force with respect to an insured person for any loss caused by preexisting condition(s). This six (6) month period is measured from the effective date of coverage for each insured person. Preexisting condition means a condition diagnosed or for which medical treatment was received from a physician within the six (6) months prior to the rider effective date.

Accident Fixed Indemnity Benefit Rider (LY-AI-RD-CA)

This rider is subject to the exclusions and limitations outlined in the policy. In addition to any benefit-specific conditions, limitations, or exclusions, no benefits will be payable under this rider for practicing for or participating in any semiprofessional or professional competitive athletic contest for which such insured person receives any compensation or remunerations.

The following conditions, treatments, and/or services are not covered under this rider:

1. Care, services, or supplies received without charge or legal obligation to pay or while the rider was not in force;
2. Dental treatment of the teeth, gums, or structures directly supporting the teeth, including dental x-rays, examinations, repairs, orthodontics, periodontics, casts, splints,
Benefit Specific Exclusions

Hospital Admission
This benefit is not payable for hospital admission of a newborn child following birth unless the child suffers a covered illness or covered injury. Also, this benefit is not payable if treatment is provided in an emergency room or on an outpatient basis.

Hospital Confinement
This benefit is not payable for hospital confinement of a newborn child following birth unless the child suffers a covered illness or covered injury.

Urgent Care Treatment
This benefit is not payable for routine health examinations or immunizations.

and services for dental malocclusion for any condition are not covered, except if provided for or in connection with a covered injury to sound natural teeth and a continuous course of dental treatment is started within six (6) months of the covered injury. Sound natural teeth are defined as natural teeth that are free of active clinical decay, have at least fifty percent (50%) bony support, and are functional in the arch; or

3. Repetitive or cumulative motions or stress traumas which include, but are not limited to, carpal tunnel syndrome, tennis elbow, and thoracic outlet syndrome.