

COLONIAL LIFE & ACCIDENT INSURANCE COMPANY

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A Stock Company

HOSPITAL CONFINEMENT INDEMNITY COVERAGE

OUTLINE OF COVERAGE (Applicable to Policy form MB3000-NJ)

BENEFITS PROVIDED ARE SUPPLEMENTAL AND NOT INTENDED TO COVER ALL MEDICAL EXPENSES. THIS IS NOT MEDICARE SUPPLEMENT COVERAGE. If you are eligible for Medicare, review the Guide To Health Insurance for People with Medicare available from the company. Premiums vary depending on your level of coverage.

Read your policy carefully. Your outline provides a very brief description of the important features of your policy. This is not an insurance contract and only the actual policy provisions will control. The policy sets forth in detail the rights and obligations of both you and us. It is, therefore, important that you READ YOUR POLICY CAREFULLY.

Renewability. Your policy is guaranteed renewable as long as you pay the premiums when they are due or within the grace period. The premium can be changed only if we change it on all policies of the same class in force in the state where the policy was issued.

Hospital Confinement Indemnity Coverage. Your policy does not provide coverage for basic hospital, basic medical-surgical or major medical expenses.

Benefits

First Day Hospital Admission Benefit Amount: \$_____ for the first day of hospital confinement, maximum of one day per confinement

We will pay this benefit if any covered person is confined to a hospital due to a covered accident or covered sickness. The confinement to a hospital must begin while this policy is in force. We will not pay this benefit for emergency room treatment, outpatient treatment; or confinement of less than 20 continuous hours in an observation unit within a hospital.

We will pay the amount shown on the Policy Schedule for the first day of confinement.

We will pay this benefit once per confinement. If a covered person is confined and is discharged and confined again for the same or related condition within 90 days of discharge, we will treat this later confinement as a continuation of the previous confinement. If more than 90 days have passed between the periods of hospital confinement, we will treat this later confinement as a new and separate confinement.

We will not pay the First Day Hospital Admission Benefit and the Second and Subsequent Day Hospital Confinement Benefit for the same dates of confinement.

Second and Subsequent Day Hospital Confinement Benefit Amount: \$_____ per day, for the second and subsequent days of hospital confinement, maximum of 75 days per confinement

We will pay this benefit if any covered person is confined to a hospital for more than one day due to a covered accident or covered sickness. The confinement to a hospital must begin while the policy is in force.

We will pay the Second and Subsequent Day Hospital Confinement Benefit in the amount shown on the Policy Schedule for each day the covered person is confined to a hospital following the first day of confinement, up to the maximum benefit period shown on the Policy Schedule. We will not pay this benefit for emergency room treatment, outpatient treatment; or confinement of less than 20 continuous hours in an observation unit within a hospital.

If a covered person is confined and is discharged and confined again for the same or related condition within 90 days of discharge, we will treat this later confinement as a continuation of the previous confinement. If more than 90 days have passed between the periods of hospital confinement, we will treat this later confinement as a new and separate confinement.

We will not pay the First Day Hospital Admission Benefit and the Second and Subsequent Day Hospital Confinement Benefit for the same dates of confinement.

Waiver of Premium Benefit After you have been confined to a hospital due to a covered accident or covered sickness for more than 30 continuous days while the policy is in force, we will waive the premium for the policy for as long as you remain confined to a hospital.

You must pay all premiums to keep the policy in force until you have been confined to a hospital for more than 30 continuous days and the waiver becomes effective.

You must send us written notice as soon as you are no longer confined to a hospital. We will assume you are no longer confined to a hospital if:

- You do not send us satisfactory proof of loss when we request it; or
- You notify us that you are no longer confined to a hospital.

You must pay all premiums to keep the policy in force beginning with the first premium due after you are no longer confined to a hospital.

The Waiver of Premium Benefit does not apply to any period that you are confined to a hospital due to an accident, sickness or condition which is excluded by name or specific description.

This benefit does not apply to your spouse or to your children. We will waive premiums only if you, the named insured, are confined to a hospital for more than 30 continuous days. However, if this is a named insured and spouse, one-parent family policy or a two-parent family policy, we will waive premiums on all family members insured by the policy.

Definitions

Accident means a bodily injury sustained by a covered person, wholly independent of disease, bodily infirmity, illness, infection, or any other abnormal physical condition and which occurs while the coverage is in force.

Calendar Year means the period beginning on the effective date of coverage shown on the Policy Schedule and ending on December 31 of the same year. Thereafter, it is the period beginning on January 1 and ending on December 31 of each following year.

Confined or Confinement means the assignment to a bed as a resident inpatient in a hospital on the advice of a physician or, for purposes of the hospital confinement benefit only, confinement in an observation unit within a hospital for a period of no less than 20 continuous hours on the advice of a physician.

Covered Accident means an accident which occurs on or after the effective date of the policy, occurs while the policy is in force, and is not excluded by name or specific description in the policy.

Covered Sickness means an illness, infection, disease or any other abnormal physical condition, not caused by an accident, which causes loss beginning while the policy is in force; and is diagnosed after the effective date of the policy.

Dependent Children means any natural children, step-children, legally adopted children or children placed into your custody for adoption who are unmarried, chiefly dependent on you or your spouse for support and younger than age 26.

Doctor or Physician means a person who is licensed by the state to practice a healing art and performs services for a covered person which are allowed by his license.

For purposes of this definition, *Doctor or Physician* does not include any covered person or immediate family member of a covered person. For the purposes of this definition, *family member* means your spouse, son, daughter, mother, father, sister or brother.

Emergency Room means a specified area within a hospital which is designated for the emergency care of accidental injuries or sicknesses. This area must be staffed and equipped to handle trauma, be supervised and provide treatment by physicians and provide care seven days per week, 24 hours per day.

Hospital means a place that is run according to law on a full-time basis, provides overnight care of injured and sick people, is supervised by a doctor, has full-time nurses supervised by a registered nurse, and has at its locations or uses on a pre-arranged basis: X-ray equipment, a laboratory and an operating room where surgical operations take place.

A hospital is not a nursing home, an extended care facility, a skilled nursing facility, a rest home or home for the aged, a rehabilitation unit, a place for alcoholics or drug addicts or an assisted living facility.

Observation Unit means a specified area within a hospital, apart from the emergency room, where a patient can be monitored following outpatient surgery or treatment in the emergency room by a physician and which is under the direct supervision of a physician or registered nurse, is staffed by nurses assigned specifically to that unit and provides care seven days per week, 24 hours per day.

Pre-existing Condition means any covered person having a sickness or physical condition for which he was treated, had medical testing, received medical advice or had taken medication within 12 months before the effective date of the policy.

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Premium means sums charged, received or deposited as consideration for this coverage.

Rehabilitation Unit means an appropriately licensed facility that provides rehabilitation care services on an inpatient basis.

Rehabilitation care services consist of the combined use of medical, social, educational, and vocational services to enable patients disabled by sickness or accidental injury to achieve the highest possible functional ability. Services are provided by or under the supervision of an organized staff of physicians. The rehabilitation unit may be part of a hospital or a freestanding facility.

A rehabilitation unit is not a nursing home, an extended care facility, a skilled nursing facility, a rest home or home for the aged, a hospice care facility, a place for alcoholics or drug addicts, or an assisted living facility.

What is Not Covered

We will not pay benefits for injuries received in accidents or for sicknesses which are caused by:

- Any covered person's addiction to drugs, except for drugs taken as prescribed by his physician, or being intoxicated or under the influence of any narcotic, unless administered on the advice of a physician.
- Any covered person's treatment for dental care or dental procedures, unless treatment is the result of a covered accident.
- Any covered person undergoing cosmetic surgery. This includes procedures for complications arising from cosmetic surgery. This does not include congenital birth defects or anomalies of a child or reconstructive surgery related to a covered sickness or injuries received in a covered accident.
- Any covered person committing or attempting to commit a felony or working at an illegal job.
- Any covered person having a mental or emotional disease or disorder of any kind including neurosis, psychoneurosis, psychopathy, and psychosis.
- Any covered person committing or trying to commit suicide or injuring himself intentionally, whether he is sane or not.
- Any covered person's involvement in any period of armed conflict, even if it is not declared.

Well Baby Care Limitation

We will not pay benefits for hospital confinement of a newborn child following his birth unless he is injured or sick.

Pre-existing Condition Limitation

We will not pay benefits for First Day Hospital Admission or Second and Subsequent Day Hospital Confinement for any covered person when such loss results from a pre-existing condition as defined in the policy, unless the covered person has satisfied the pre-existing condition limitation period shown on the Policy Schedule.