

COLONIAL LIFE & ACCIDENT INSURANCE COMPANY

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A Stock Company

HOSPITAL CONFINEMENT INDEMNITY COVERAGE

OUTLINE OF COVERAGE (Applicable to Policy form MB3000-PA-2)

BENEFITS PROVIDED ARE SUPPLEMENTAL AND NOT INTENDED TO COVER ALL MEDICAL EXPENSES.

Non-Participating

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.

Hospital Confinement Indemnity Coverage. Your policy does not provide coverage for basic hospital, basic medical-surgical or major medical expenses. Policies of this category are designed to provide, to persons insured, coverage in the form of a fixed indemnity benefit during periods of hospitalization resulting from a covered accident or sickness, subject to any limitations set forth in the policy.

Benefits

Hospital Confinement Benefit Amount: \$_____ per confinement

We will pay this benefit if any covered person incurs charges for and is confined due to a covered accident or covered sickness. The confinement to a hospital must begin while the policy is in force. 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. If any covered person is admitted to a rehabilitation unit in a hospital without first having been confined to the hospital, we will not pay this benefit. If any covered person is confined to a hospital and then transferred to a rehabilitation unit, we will not pay an additional Hospital Confinement benefit for confinement to the rehabilitation unit.

Outpatient Surgical Procedure Benefit

Tier 1 Surgical Procedures \$_____ per covered procedure

Tier 2 Surgical Procedures \$_____ per covered procedure

Calendar Year Maximum \$_____ per covered person for all covered surgical procedures combined

We will pay this benefit if any covered person incurs charges for and requires a surgical procedure due to a covered accident or covered sickness, and he is not confined in a hospital at the time of the procedure. The procedure must be performed by a doctor in a hospital or ambulatory surgical center. We will pay this benefit once per covered outpatient surgical procedure. We will pay this benefit for only one outpatient surgical procedure performed at the same time even if caused by more than one accident or sickness. In that event, we will pay the benefit that has the highest dollar value. The surgical procedure must occur while the policy is in force.

Ambulatory Surgical Center means a place which:

- is equipped for surgical procedures performed by qualified physicians;
- provides anesthesia administered by a licensed anesthesiologist or licensed nurse anesthetist; and
- has written agreements with local hospitals to immediately accept patients who develop complications.

Surgical Procedure means the cutting into the skin or other organ to accomplish any of the following goals:

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| • further explore the condition for the purpose of diagnosis; | • remove an obstruction; | • implant mechanical or electronic devices; |
| • take a biopsy of a suspicious lump; | • reposition structures to their normal position; | • repair an area that has been injured or affected by trauma, overuse, or disease; or |
| • remove diseased tissues or organs; | • redirect channels; | • restore proper function. |
| • transplant tissue or whole organs; | | |

The following will not be considered a surgical procedure for the purposes of the policy:

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| • Venipuncture (drawing blood); | • Epidural steroid injections; | • Foreign body removal from the eye. |
| • Lumbar puncture; | • Removal of skin tags; or | |

To determine the amount payable for a surgical procedure, locate the procedure in one of the tiers shown in the Surgical Schedule below and refer to the benefit amount on the Policy Schedule for the tier in which the procedure appears.

If the specific procedure is not listed in the Surgical Schedule, we will use the Current Procedural Terminology (CPT) Code provided by the covered person's doctor and a current relative value scale to determine the tier of the procedure.

We will pay for only one surgical procedure for the same covered accident or covered sickness in a 90-day time period. If a covered person receives a subsequent surgical procedure for the same covered accident or same covered sickness, we will pay an additional benefit only if the subsequent procedure was performed more than 90 days after the last covered procedure was performed.

We will pay no more than the Calendar Year Maximum for the Outpatient Surgical Procedure Benefit shown.

If any covered person has an outpatient surgical procedure and is immediately confined as a result of complications from the procedure, we will also pay the Hospital Confinement Benefit.

Tier 1 Surgical Procedures

<p>Breast</p> <ul style="list-style-type: none"> Axillary node dissection Breast capsulotomy Breast reconstruction Lumpectomy <p>Cardiac</p> <ul style="list-style-type: none"> Pacemaker insertion <p>Digestive</p> <ul style="list-style-type: none"> Colonoscopy Fistulotomy Hemorrhoidectomy (external) Lysis of adhesions 	<p>Ear/Nose/Throat/Mouth</p> <ul style="list-style-type: none"> Adenoidectomy Removal of oral lesions Myringotomy Tonsillectomy Tracheostomy <p>Gynecological</p> <ul style="list-style-type: none"> Dilation & Curettage (D&C) Endometrial ablation Lysis of adhesions <p>Liver</p> <ul style="list-style-type: none"> Paracentesis 	<p>Musculoskeletal System</p> <ul style="list-style-type: none"> Carpal/cubital repair or release Dislocation (closed reduction treatment) Foot surgery (bunionectomy, exostectomy, arthroplasty, hammertoe repair) Fracture (closed reduction treatment) Removal of orthopedic hardware Removal of tendon lesion <p>Skin</p> <ul style="list-style-type: none"> Laparoscopic hernia repair Skin grafting
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Tier 2 Surgical Procedures

<p>Breast</p> <ul style="list-style-type: none"> Breast reduction <p>Cardiac</p> <ul style="list-style-type: none"> Angioplasty Cardiac catheterization <p>Digestive</p> <ul style="list-style-type: none"> Exploratory laparoscopy Laparoscopic appendectomy Laparoscopic cholecystectomy <p>Ear/Nose/Throat/Mouth</p> <ul style="list-style-type: none"> Ethmoidectomy Mastoidectomy 	<p>Ear/Nose/Throat/Mouth cont.</p> <ul style="list-style-type: none"> Septoplasty Stapedectomy Tympanoplasty Tympanotomy <p>Eye</p> <ul style="list-style-type: none"> Cataract surgery Corneal surgery (penetrating keratoplasty) Glaucoma surgery (trabeculectomy) Vitrectomy <p>Gynecological</p> <ul style="list-style-type: none"> Myomectomy 	<p>Musculoskeletal System</p> <ul style="list-style-type: none"> Arthroscopic knee surgery w/menisectomy (knee cartilage repair) Arthroscopic shoulder surgery Clavicle resection Dislocations (ORIF - open reduction with internal fixation) Fracture (ORIF - open reduction with internal fixation) Removal or implantation of cartilage Tendon/ligament repair <p>Thyroid</p> <ul style="list-style-type: none"> Excision of a mass
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Wellness Benefit Amount: \$50 per test, one test per calendar year if named insured coverage; two tests per calendar year if named insured and spouse coverage, one-parent family coverage or two-parent family coverage

We will pay this benefit if any covered person incurs charges for and has one of the wellness tests listed below performed while the policy is in force. We will pay the amount shown for one of the following wellness tests:

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| <ul style="list-style-type: none"> • Blood test for triglycerides • Breast ultrasound • CA 15-3 (blood test for breast cancer) • CA 125 (blood test for ovarian cancer) • CEA (blood test for colon cancer) • Chest x-ray | <ul style="list-style-type: none"> • Colonoscopy or Virtual Colonoscopy • Fasting blood glucose • Flexible sigmoidoscopy • Hemocult stool analysis • Mammography • Pap smear or Thin Prep Pap | <ul style="list-style-type: none"> • PSA (blood test for prostate cancer) • Serum protein electrophoresis (blood test for myeloma) • Serum cholesterol test for HDL and LDL • Stress test on a bicycle or treadmill • Thermography |
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We will pay up to the maximum number of tests shown.

Rehabilitation Unit Benefit Amount: \$100 per day up to 15 days per confinement with a 30 day maximum per covered person per calendar year We will pay this benefit if any covered person incurs charges for and is transferred to a rehabilitation unit immediately after a period of hospital confinement due to a covered accident or covered sickness. We will pay the amount shown for each day of confinement in a rehabilitation unit, up to the maximum number of days shown. Confinement to a rehabilitation unit must begin while the policy is in force. If any covered person is admitted to a rehabilitation unit in a hospital without first having been confined to the hospital, we will not pay this benefit. If any covered person is confined to a hospital and then transferred to a rehabilitation unit, we will not pay an additional Hospital Confinement benefit for confinement to the rehabilitation unit.

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 and any attached riders for as long as you remain confined to a hospital or rehabilitation unit.

You must pay all premiums to keep the policy and any attached rider(s) 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 or rehabilitation unit. We will assume you are no longer confined to a hospital or rehabilitation unit 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 or rehabilitation unit.

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 or rehabilitation unit.

The Waiver of Premium Benefit does not apply to any period that you are confined to a hospital or rehabilitation unit 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 an unintended or unforeseen bodily injury sustained by a covered person, wholly independent of disease, bodily infirmity, illness, infection, or any other abnormal physical condition.

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 or disease of a covered person which is diagnosed after the effective date of this policy, diagnosed while this policy is in force; and not excluded by name or specific description in this policy.

Dependent Children means any natural children, grandchildren, step-children, legally adopted children or children placed 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 anyone related to any covered person by blood or marriage, a business or professional partner of any covered person, or any person who has a financial affiliation or a business interest with any covered person.

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 which is licensed or approved as a hospital by the responsible state agency, is primarily engaged in providing medical care and treatment of sick or injured persons on an inpatient basis for which a charge is made, and provides twenty-four hour nursing service by or under supervision of a registered graduate professional nurse.

A hospital is not any military or veterans hospital or soldiers home or any hospital contracted for or operated by any national government or agency thereof for the treatment of members or ex-members of the armed forces, a convalescent home, or a convalescent, rest, or nursing facility, a facility primarily for the aged or drug or alcoholic rehabilitation; or a facility primarily affording custodial or educational care.

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 a condition for which medical advice or treatment was recommended by a doctor or received from a doctor within a twelve month period before the effective date of the coverage of the covered person.

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 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 except when medically necessary. 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 commission of or attempt to commit a felony, or any covered person being engaged in an illegal occupation.
- Any covered person being intoxicated or under the influence of any narcotic unless administered on the advice of a physician.

- Any pregnancy of a dependent child, including services rendered to her child after birth.
- Any covered person having a mental, nervous, or emotional disorder.
- Any covered person committing suicide or injuring himself intentionally.
- Any covered person's being on active duty as a member of the armed forces of any nation in an act of war, whether declared or undeclared.

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 Hospital Confinement, Rehabilitation Unit Confinement or Outpatient Surgical Procedure for any covered person when such loss results from a pre-existing condition, unless the covered person has satisfied the pre-existing condition limitation period shown on the Policy Schedule.

Renewability. Your policy is guaranteed renewable for life 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 this kind in force in the state where the policy was issued.