

**GUARANTEE TRUST LIFE INSURANCE COMPANY**

1275 Milwaukee Avenue, Glenview, Illinois 60025  
(847) 699-0600

**HOSPITAL CONFINEMENT INDEMNITY INSURANCE CERTIFICATE**

**EFFECTIVE DATE:** Your insurance under the Group Policy (hereinafter referred to as the "Policy") begins at 12:01 Standard Time at your residence on the Effective Date shown in the Certificate Schedule.

Signed for Guarantee Trust Life Insurance Company at Glenview, Illinois by

*Thomas J. Guilford*  
Secretary

*Robert J. Stokoe III*  
President

Licensed Resident Agent (If Required): \_\_\_\_\_

The Policy has been issued and delivered to the Policyholder named in the Certificate Schedule in the State of [Missouri]. Except as otherwise stated in this Certificate, the Policy will be governed by the laws of that state.

This Certificate establishes that You are covered by the described insurance, subject to the terms and conditions of the Policy. Your coverage under the Policy will be renewable until Your attainment of age 65, subject to the timely payment of the renewal premiums as they are due.

This Certificate describes the benefits, important provisions, exceptions and limitations of the Policy. This Certificate is not the insurance contract. Only the actual provisions of the Policy will control. Insurance under the Policy is effective only if You become and remain insured.

This Certificate does not replace your present health insurance.

This Certificate is NOT MEDICARE SUPPLEMENT insurance. If You are eligible for Medicare, review the "Guide to Health Insurance for People with Medicare" available from Us.

**PREMIUMS ARE SUBJECT TO CHANGE:** We may change the premium rate for your insurance. We can change it only if we change the table of premium rates for the Policy. We'll provide you with written notice at least thirty-one (31) days before any premium change is made.

**ABOUT STATEMENTS MADE IN YOUR APPLICATION**

Caution: This Certificate was issued based upon Your answers to the questions on Your Application. A copy of Your Application is attached. If Your answers are incorrect or untrue, We may have the right to deny benefits or rescind Your Certificate. The best time to clear up any questions is now, before a claim arises! If for any reason, any of Your answers are incorrect, contact Us within 30 days at 1275 Milwaukee Avenue, Glenview, Illinois 60025. If You have any questions concerning this coverage, or if We can be of any assistance, please call Us at 1-800-338-7452

**10-DAY RIGHT TO EXAMINE COVERAGE:** You may cancel coverage under this Certificate within 10 days of receiving it by returning the Certificate to Us. If it is returned for cancellation, We will refund any premium paid for Your coverage. This certificate will then be void as of the Effective Date and there will be no coverage.

**NOTICE TO BUYER:** This Certificate may not cover all of the costs associated with hospital confinement incurred by the buyer during the period of coverage. The buyer is advised to review carefully all Certificate limitations and exceptions.

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SAMPLE

**CERTIFICATE SCHEDULE**

We have issued Group Insurance Policy Number \_\_\_\_\_ to: **Value Benefits of America, Inc.**, a Missouri-based association (referred to in this Certificate as the Policyholder)

INSURED:

CERTIFICATE NUMBER:

ADDRESS:

INSURED'S AGE AT DATE OF ISSUE:

CERTIFICATE EFFECTIVE DATE:

COVERED SPOUSE:

SPOUSE'S AGE AT DATE OF ISSUE:

INITIAL PREMIUM AMOUNT: \$

PREMIUM MODE:

DAILY HOSPITAL BENEFIT AMOUNT ..... \$100.00

HOSPITAL ELIMINATION PERIOD ..... 0 DAYS

DOCTOR'S OFFICE VISIT BENEFIT ..... \$75.00

OUTPATIENT BENEFIT AMOUNT ..... \$250.00

MAXIMUM CALENDAR YEAR OUTPATIENT BENEFIT ..... \$1,000.00

AMBULANCE BENEFIT ..... \$200.00

SAMPLE

## SECTION I - ELIGIBILITY AND EFFECTIVE DATE OF INDIVIDUAL INSURANCE

**Eligible Members** – You and Your spouse are eligible for coverage under the Policy if You are a member of the Policyholder on the date You makes application for insurance, or makes application for membership in the Policyholder on or before that date.

**At the Time the Certificate Is Issued** – You and your spouse must provide proof of good health and be acceptable to us based on our rules in effect at the time of application in order to become covered under the Policy. Coverage will be effective as of the Certificate Effective Date shown in the Certificate Schedule.

**After the Certificate Has Been Issued** – If coverage for Your spouse was not applied for when this Certificate was issued, You may apply for such coverage at a later time. You must complete a new application and provide proof of good health for Your spouse. The effective date of such spouse's coverage will be the date on which we approve the application and receive any additional premium required.

### TERMINATION PROVISIONS

**Group Policy:** The Policy will continue in force until such time as there are no remaining members of the Policyholder covered under the Policy.

**Termination of Your Coverage:** Your coverage will terminate: (1) on the premium renewal date of any premium due but not paid, subject to the GRACE PERIOD provision; or (2) on the renewal date occurring on or immediately following Your attainment of age 65.

**Termination of Your Spouse's Coverage:** Coverage for your spouse will terminate: (1) on the premium renewal date of any premium due for such spouse's coverage but not paid, subject to the GRACE PERIOD provision; or (2) on the renewal date occurring on or immediately following (a) the entry of a legal decree of divorce from the Insured, or (b) the spouse's attainment of age 65.

**Continuation of Coverage:** If You cease being a member of the Policyholder, We agree thereafter to renew Your coverage as long as You continue to pay the required premium when due, subject to the termination provisions above. You must notify Us of the change in status within 31 days of such change. Direct premium payments will begin following the end of the period for which premium has been paid.

If You die while Your spouse is covered under the Policy, We agree thereafter to renew the coverage for such spouse as the new Insured as long as such spouse lives and pays the required premium when due, subject to the termination provisions above. Direct premium payments will begin following the end of the period for which premium has been paid.

**Spouse's Conversion Privilege Following Divorce:** Spouses terminated due to a divorce will have a conversion privilege. This privilege will extend for 60 days beginning with the date on which such spouse's coverage terminates because of a divorce decree. Application and payment of the appropriate premium for the new coverage must be made during this 60-day period. Evidence of insurability will not be required. The new coverage will be a plan most similar to, but not greater than, the spouse's terminated coverage. All probationary and/or waiting periods will be considered as met to the extent coverage was in force under this Policy.

**Addition of a New Spouse Following Divorce:** You may not add a new covered spouse until Your covered ex-spouse has been removed from coverage.

## DEFINITIONS

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**Any one Sickness or Injury** means either Sickness or Injury from the same cause at various times or Sickness or Injury from various causes at the same time.

**Calendar Year** means the period beginning on the Certificate Effective Date and ending December 31 of that year. Thereafter it is the period from January 1 through December 31 of each following year.

**Complications of pregnancy** means any condition that requires medical treatment or Hospital confinement prior to or subsequent to the termination of the pregnancy whose diagnosis is distinct from, but is adversely affected by the pregnancy. Such conditions include, but are not limited to: (1) acute nephritis; (2) nephrosis; (3) cardiac decompensation; (4) missed abortion; and, (5) similar conditions of comparable severity. A complication of pregnancy will also include nonelective cesarean section or termination of pregnancy that occurs during a period of gestation when a viable birth is possible. "Complications of Pregnancy" will not include: (1) false labor; (2) occasional spotting; (3) prescribed bed rest; (4) morning Sickness; or, (5) similar conditions that are common to the care of a difficult pregnancy.

**Covered Person** means You and Your spouse, if any, that have been accepted for coverage.

**Daily Hospital Benefit Amount** means the amount we will pay each day when hospital confined. The Daily Hospital Benefit Amount is shown in the Certificate Schedule.

**Doctor** means any licensed practitioner of the healing arts operating within the scope of his or her license in treating any Injury or Sickness. It doesn't include a member of the Immediate Family.

**Hospital** means an institution which operates pursuant to law that has organized facilities for the care and treatment of sick and injured persons on a resident or inpatient basis, including facilities for diagnosis and surgery under the supervision of a staff of one (1) or more Doctors and which provides twenty-four (24)-hour nursing service by registered nurses on duty or call. Hospital does not mean convalescent, nursing, rest or extended care facilities or facilities operated exclusively for treatment of the aged, drug addict or alcoholic, even though such facilities are operated as a separate institution by a Hospital.

**Hospital Confinement/Confined** means confinement in a Hospital as a resident bed patient for a period of 23 consecutive hours or longer.

**Hospital Elimination Period** is the number of consecutive days when a loss is first incurred for which the Hospital Benefit is payable under this Policy, but during which no benefits will be paid. For each day of Hospital Confinement to be applied towards the satisfaction of the Elimination Period, the loss must be otherwise covered by this Policy and eligible for benefits. When benefits do begin, they will not be retroactive to the beginning of the Elimination Period. The Elimination Period must be satisfied at the beginning of each period of Hospital Confinement.

**Immediate Family** means You or Your spouse, You or Your spouse's parents, grandparents, children, grandchildren, or siblings by blood or marriage.

**Injury** means an accidental bodily injury sustained by a You that is the direct cause of loss, independent of disease or bodily infirmity. The loss must begin while Your insurance under this Certificate is in force.

**Insured** means the person named as the Insured in the Certificate Schedule.

**Intoxicated** means that state that is determined by the laws and/or decisions of the jurisdiction in which loss because of being intoxicated occurs.

## DEFINITIONS (Continued)

**Maximum Outpatient Benefit Amount** means the maximum amount we'll pay each calendar year for outpatient services. The Maximum Outpatient Benefit Amount is shown in the Certificate Schedule.

**Medically Necessary** means a service, supply, or hospital confinement that:

1. is prescribed by a Doctor;
2. is required for the treatment or management of a medical symptom or condition;
3. is the most efficient and economical service which can safely be provided; and
4. is commonly accepted as proper for the treatment or management of a condition by an established United States medical society.

All four of the above conditions must be met in order to establish Medical Necessity. The fact that a Doctor may prescribe, order, recommend or approve a service, supply or a confinement does not, of itself, make it Medically Necessary or a covered loss under this Certificate even though it is not specifically listed as an exception.

**Mental Illness** means a neurosis, psychoneurosis, psychopathy, psychosis, or mental or emotional disease or disorder of any kind classified in the American Psychiatric Association Diagnostic and Statistical Manual of Mental Disorders on the date care or medical treatment is rendered. It doesn't mean a demonstrable organic brain disease, such as Parkinson's disease, Alzheimer's disease or senile dementia.

**Out-of-Pocket Costs** means that portion of the expenses incurred that You are obligated to pay.

**Sickness** means an illness or a disease that results in loss covered by the Group Policy. The loss must begin while the Covered Person's insurance under this Certificate is in force.

**We, Our and Us** means Guarantee Trust Life Insurance Company.

**Week** means a period of 7 days beginning on a Sunday and ending on the following Saturday.

**You, Your and Yours** means the Insured named in the Certificate Schedule and/or the Insured's covered spouse named in the Certificate Schedule.

## BENEFITS

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### QUALIFYING FOR BENEFITS

We will only pay benefits for Hospital Confinement, visits to the Doctor's office, out-patient hospital and ambulance services that are Medically Necessary and due to Injury or Sickness.

### LIMITATION ON BENEFITS

Subject to the Qualifying For Benefits provision above, we'll pay the benefits amounts payable under this Certificate for the loss incurred by You.

We won't pay more than the selected benefit amounts payable under this Certificate.

To be payable, the loss must be incurred while this Certificate is in force and not excluded from coverage under the Exceptions or Pre-Existing Conditions Limitation provisions.

## BENEFIT PROVISIONS (Continued)

### BENEFITS

#### A. Daily Hospital Confinement Indemnity Benefit

We will pay the Daily Hospital Benefit Amount for each day You are Confined in a Hospital when such confinement is Medically Necessary because of an Injury or Sickness. Benefits will begin on the day following satisfaction of the Hospital Elimination Period shown in the Certificate Schedule. The Daily Benefit Amount is shown in the Certificate Schedule.

We won't pay more than a total of 365 days for Hospital Confinement during Your lifetime.

#### B. Doctor's Office Visit Benefit

We will pay the amount shown in the Certificate Schedule as the Doctor's Office Visit Benefit when a Covered Person receives the medical services of a Doctor, limited to one visit to the Doctor's office per Week.

We won't pay more than a total of 10 visits to the Doctor's office per Calendar Year.

#### C. Outpatient Benefit

We will pay the Out-of-Pocket Costs incurred by You for care and services received in an outpatient department of a hospital.

Care and services include, but are not limited to: (1) Doctor's treatment; (2) medical supplies; or (3) x-rays or laboratory tests.

We won't pay more than the Outpatient Benefit Amount shown in the Policy Schedule for any one Sickness or Injury or the Maximum Calendar Year Outpatient Benefit shown in the Policy Schedule in any one Calendar Year.

#### D. Ambulance Transportation Benefit

If You require the use of an ambulance for transportation to a Hospital for Medically Necessary care of a Sickness or Injury, We will pay the Ambulance Benefit shown in the Policy Schedule. This Benefit is limited to a single benefit payment for any one Sickness or Injury.

For purposes of this Benefit, "use of an ambulance service" means the physical transportation of the Covered Person in an ambulance or other appropriate vehicle registered to a licensed medical transportation service for which a charge is normally made.

## EXCEPTIONS

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We won't pay for charges incurred:

1. due to war or act of war whether declared or not;
2. due to intentionally self-inflicted injury;
3. due to Mental illness or nervous disorders without demonstrable organic disease (Loss due to Parkinson's Disease, Alzheimer's Disease or senile dementia is covered);
4. for normal pregnancy and childbirth; complications of pregnancy, however, will be covered as a sickness.

5. for treatment of an injury that results from Your commission of, or attempt to commit a felony, or from You being engaged in an illegal activity.

### EXCEPTIONS (Continued)

6. for cosmetic surgery; "cosmetic surgery" does not include reconstructive surgery which is incidental because of previous surgery due to trauma, infection, or other disease of the involved part;
7. for confinement in a Hospital located or care received outside of the territorial limits of the United States of America, its commonwealth partners, or the countries of Canada and Mexico; or
8. for You being intoxicated or under the influence of alcohol or a narcotic, unless administered on the advice of a Physician.

### PRE-EXISTING CONDITIONS LIMITATION

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Pre-existing conditions are those medical conditions disclosed or not disclosed on the application which were diagnosed or for which medical advice or treatment was recommended or received from a Doctor within a 12-month period immediately preceding the Effective Date of Your coverage.

Any loss due to a pre-existing condition is not covered unless the loss begins more than 12 months after the Effective Date of Your coverage under this Certificate.

### CLAIM PROVISIONS

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**Notice of Claim:** Written notice of claim must be sent to Us at Our Home Office, or to the agent, within twenty (20) days after the start of a covered loss. The notice must include Your name and Certificate number. If notice cannot reasonably be given within that time, You must send the notice as soon as possible.

**Proof of Loss:** Written proof of loss must be furnished to Us within ninety (90) days after the date of such loss. Failure to furnish such proof within the time required will not invalidate nor reduce any claim if it was not reasonably possible to furnish proof within such time, provided proof is furnished as soon as is reasonably possible; and, in no event, except in the absence of legal capacity, later than one year from the time proof is otherwise required. If You are legally incapable of submitting such proof, it may be submitted at any time that it is reasonably possible to do so.

**Claim Forms:** We will send You claim forms when We receive written notice of claim. If forms are not received within fifteen (15) days after written notice of claim is sent, then proof of claim will be met by giving Us a written statement of the type and the extent of the services. You must send such proof within the time limit stated above in the Written Proof of Claim provision.

**Payment of Claims:** When We receive written proof of claim, We will pay any benefits due. Benefits that provide for periodic payment will be paid monthly as We become liable.

We will pay benefits to You, if living, or to providers of care or services through an assignment of benefits, or to Your estate. If benefits are payable to Your estate, we may pay up to \$1,000.00 to any relative of Yours whom we find is entitled to them. Any payment made in good faith will fully discharge Us to the extent of the payment.

**Time of Payment of Claims:** Benefits payable under the Policy will be paid within 30 days following receipt of due written proof of loss. Any balance remaining unpaid at the end of Our liability will be paid immediately upon receipt of written proof of loss.

**Physical Examinations and Autopsy:** We have the right to have a Doctor of our choice examine You as often as reasonably necessary while a claim is pending. Any such examinations will be made at our expense. In the event of Your death, We may also have an autopsy made at Our expense unless prohibited by law.

### CLAIM PROVISIONS (continued)

**Legal Actions:** No legal action can be brought against us to recover on this Policy within sixty (60) days after written proof of loss has been given as required by this Policy. No action can be brought after three (3) years from the expiration of the time written proof of loss is required.

**Claim Denial:** If your claim is denied, we will make available all information directly relating to such denial within 60 days of your written request unless prohibited under state or federal law.

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### PREMIUMS

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**Premium Changes:** We may change the tables of premiums from time to time. The new tables may be made effective as of any of the following dates:

1. Any premium due date, provided we have notified the Policyholder of such change at least 30 days before the premium due date; or
2. Any date that the provisions of the Policy are changed or the coverage provided by the Policy is changed.

**Premium Payments:** You are to pay each premium on or before its due date. A due date is the first day following the end of the period for which the preceding premium was paid. Premiums may be paid for 12, 6, or 3 month periods. We will also accept monthly premiums when paid by electronic funds transfer, list bill, or when paid otherwise with Our prior approval.

**Grace Period:** We will grant a grace period of 31 days for each premium payment after the first premium payment. Coverage remains in force during the grace period.

**Notice of Lapse:** We will provide You and any third party You have selected with notice of termination for non-payment of premium 30 days after a premium is due. This notice shall be given by first class United States mail and will not be given until thirty (30) days after the premium is due and unpaid. Notice will be deemed to have been given as of five (5) days after the date of mailing.

**Reinstatement:** If a premium is not paid before the grace period ends, this certificate will lapse. Later acceptance of a premium by Us without asking for an application for reinstatement, will reinstate this Certificate as of 12:01 (Standard Time) on the day after the date we receive the premium.

If You are asked for an application, a conditional receipt for the premium will be given to You. If the application is approved, this Certificate will be reinstated as of 12:01 (Standard Time) on the day after the date the reinstatement application is approved. Lacking such approval, this certificate will be reinstated on the 45th day after the date of the receipt unless We write You of our disapproval before that date.

If reinstated, this certificate will only cover loss sustained after the date of reinstatement. In all other ways, your rights and ours will remain the same subject to any provision of the reinstatement. Premium will be applied as of the date of reinstatement.

**Misstatement of Age:** If a covered person's age has been misstated, the benefits may be adjusted, based on the relationship of the premium paid to the premium that should have been paid based on the correct age. If no insurance would have been available, we will refund the difference between the premiums You have paid less any benefits paid.

## GENERAL PROVISIONS

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**The Contract:** The entire contract includes:

1. the Group Policy;
2. any amendments of the Group Policy signed by any one of our officers;
3. the application of the Holder of the Group Policy; and
4. Your application for insurance under the Group Policy.

We consider any statement made by you or the Policyholder, in the absence of fraud, to be a representation and not a warranty. No statement will be used to void the insurance, reduce benefits, or deny a claim unless:

1. the statement is in writing; and
2. a copy of that statement is given to you.

**Time Limit on Certain Defenses:** (a) We may void your coverage or deny any claim for loss which starts within 12 months of the Effective Date of Your coverage. We may do so only if we determine there was material misrepresentation that would have caused the application for this insurance to be declined. (b) After 2 years from the Effective Date of Your coverage only fraudulent misstatements in the application relating to Your health may be used to void Your coverage or deny any claim for loss that starts after the 2 year period.

**Assignment of Benefits:** No assignment of Your coverage under this Certificate or its benefits, by You or Your legal representative, will affect Us unless it is in writing and sent to Us at our Home Office. We are not responsible for the validity of the assignment. Any payment We make in good faith will end our liability to the extent of the payment.

**Other Insurance with Us:** If any Covered Person is insured with Us under more than one Policy of this type, only one Policy, to be chosen by the Covered Person or such Person's estate, will be effective for the Covered Person. The insurance under the other policies will be deemed to have ceased as of the date the duplication began. We will refund any premium paid to us and not earned due to this clause. The refund will be based on the number of full month since the duplication began.

**Annual Meeting:** The annual meeting of our Insureds will be held in our Home Office. It will start at 10:00 a.m. on the first Monday in July. It will be held on the first Tuesday if Monday is a legal holiday. We will elect Directors and transact other business that is brought before the meeting.

**Conformity with State Laws:** Any provision of this Certificate which, on the Effective Date, is in conflict with the laws of the state in which it is delivered is amended to conform to the minimum requirements of such laws.