

# EXTRA PROTECTION FOR THE UNEXPECTED

## HOSPITAL SELECT® III HOSPITAL INDEMNITY INSURANCE

***Hospital Select III, underwritten by Transamerica Life Insurance Company, is extra protection in case of hospitalization to help with co-pays, co-insurance, even ordinary household expenses.***

Meg didn't think much about the cut on her foot, except that it prevented her from wearing some of the shoes she likes. When a friend noticed it and said it didn't look good, she urged Meg to go have it checked out. The cut turned out to be a staph infection that landed her in the hospital. Fortunately, she responded well to antibiotics and was soon back home.

Thankfully, Meg's finances didn't stumble from the unexpected oversight. It might have been a different story if she didn't have her employer's hospital indemnity insurance that helped cover the out-of-pocket expenses her medical insurance didn't.

### **DIRECT PAYMENTS FOR HEALTHCARE COSTS**

Hospital indemnity insurance pays an amount for each day the insured is hospitalized, up to specific maximum limits. Because the benefits are paid to the insured directly, Meg used them to help pay out-of-pocket expenses, such as her \$1,500 deductible and co-pay. She also could use them to pay expenses such as her car payment, rent, or child care.

### **HOSPITAL SELECT III FEATURES**

- No co-insurance, co-pay, waiting periods<sup>1</sup>, or deductibles
- Benefits paid in addition to other insurance the insured may have
- Portability that allows employees to keep insurance after they retire or leave the job
- 24-hour insurance

### **EASY QUALIFICATION WITH BROAD ELIGIBILITY**

This policy is available for individuals, single-parent families, individuals with spouses or other adult dependents, and families. There is no maximum issue age<sup>2</sup> for employees and their adult dependents. Children under the age of 26 can be insured.

<sup>1</sup> Based on plan design, some policies have a 10-month pregnancy waiting period.

<sup>2</sup> Some states do not apply.

**THIS IS NOT MAJOR MEDICAL INSURANCE AND IS NOT A SUBSTITUTE FOR MAJOR MEDICAL INSURANCE. IT DOES NOT QUALIFY AS MINIMUM ESSENTIAL HEALTH COVERAGE UNDER THE FEDERAL AFFORDABLE CARE ACT.**

This is a brief summary of *Hospital Select III*, underwritten by Transamerica Life Insurance Company, Cedar Rapids, Iowa. Policy form series TMHI1000-0118 and TCHI1000-0118. Forms and form numbers may vary. Insurance may not be available in all jurisdictions. Limitations and exclusions apply. Refer to the policy and riders for complete details.

Up-to-date information regarding our compensation practices can be found in the disclosures section of our website at [tbcs.com](http://tbcs.com).

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### PRODUCT HIGHLIGHTS

- No lifetime maximum for most benefits
- No waiting period<sup>1</sup>
- Benefits paid directly to the insured
- Payroll-deducted premiums
- Family options available



**Visit:**

[transamerica.com](http://transamerica.com)



**Customer Service:**

888-763-7474



TRANSAMERICA®

## Product Details

The following benefits are included in your plan option(s). Unless otherwise noted, all benefits and maximums are per insured person.

<b>Daily In-Hospital Indemnity Benefit</b>		<b>Plan Option 1</b>
Pays each day an insured person is confined to a hospital (but not an emergency room, outpatient stay or stay in an observation unit) as the result of a covered accident or sickness.		\$100.00
	Maximum	31 Days per confinement
<b>Included Riders:</b>		
<b>Intensive Care Indemnity Benefit Rider (Rider Form Series CRCICU00)</b>		
Pays each day an insured person is confined to an intensive care unit as the result of a covered accident or sickness.		\$100.00
	Calendar Year Maximum	30 Days
<b>Hospital Confinement Indemnity Benefit Rider (Rider Form Series TRHI1000-0118)</b>		
Pays each day an insured person is confined to a hospital (but not an emergency room, outpatient stay or stay in an Observation unit) as the result of an accidental injury or sickness lasting a minimum of 24 continuous hours from time of admission. This benefit is paid in addition to the daily in-hospital indemnity benefit.		\$1500.00
	Maximum	1 day(s) per confinement/1 day(s) per calendar year
<b>Wellness Indemnity Benefit Rider (Rider Form Series CRHWEL00)</b>		
Pays each day an insured person undergoes a health screening test as defined in the policy.		\$50.00
	Calendar Year Maximum	1 day(s)

## Product Details

### Plan Option 1 Monthly Rates Hospital Select® III

HSIII HSA 2020.11.L1.0.00

Age	Employee	Employee and Spouse	Employee and Child(ren)	Family
All Ages	\$24.27	\$52.18	\$39.45	\$61.75

\*The illustrated rates DO contain a pre-existing condition limitation.

The above rates are quoted for this group with 115 eligible lives.  
Should this plan design sell and the submitted group size is different, rates may be different.

*\*HSA Compatible - Based on its understanding of available guidance, Transamerica Life Insurance Company views the insurance benefits shown in this proposal as compatible with High-Deductible Health Plans and Health Savings Accounts. However, there is no guarantee that the relevant authorities will agree with Transamerica's understanding. Current guidance is not complete and is subject to change. Neither Transamerica nor its agents or representatives provide legal or tax advice. Accordingly, Transamerica encourages its customers to consult with and rely upon independent tax and legal advisors regarding their particular situations, the use of the products presented here with High-Deductible Health Plans and Health Savings Accounts, and the persons/dependents that may be insured under such plans and accounts.*

Issue State: Texas  
Rate generation date: April 9, 2021

## General Administrative Issues

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### How to Apply - Organization

Your organization can apply for this insurance by providing us with your completed Life and Health Group Application and Agreement together with a copy of this proposal. Before approving, we may request additional information about your group. Upon approval, we will notify you when insurance becomes effective.

### Group Master Policy Effective Date

Subject to our receipt and review of all necessary information, the group master policy takes effect on the date requested on the Life and Health Group Application and Agreement. There is no backdating of a policy.

### How to Apply - Employees

An applicant should elect insurance that best meets his or her needs and those of his or her family. All questions on the application should be completed accurately. All applications are subject to our review and approval.

### Individual Insurance Effective Date

Insurance is effective on the effective date requested on the Life and Health Group Application and Agreement or first day of the month following the date an individual's application is approved by us, whichever is later. The employee must be on active service for insurance to become effective. Dependents must be able to perform the normal activities of a person of like age in good health for insurance to become effective.

### Beneficiary

Employees designate their own beneficiaries. In community property states (AZ, CA, ID, LA, NM, NV, TX, WA, and WI), when someone other than the spouse is designated as the beneficiary, the spouse's consent is required. The employee will automatically be the beneficiary of any dependent insurance.

### Current Disability and/or Premium Waiver

We do not provide insurance to an individual currently disabled on a premium waiver. In this case, it is assumed that the previous carrier, if any, should continue to provide the individual's insurance.

### Premium Payment

Premiums are paid conveniently through payroll deduction.

### Grace Period

A grace period of 31 days will be allowed for each premium payment after the first premium. Insurance will stay in force during this time. Insurance under the policy will terminate at the end of the grace period if the premium has not been paid. You must still pay all unpaid premiums. This includes the premium due for the grace period.

### ERISA

Hospital Indemnity Insurance is offered only to employers who represent that they intend to make the product available to their employees as part of a group health plan subject to the requirements of the Employee Retirement Income Security Act of 1974 (ERISA). Employers are strongly encouraged to consult with ERISA counsel for assistance with this requirement. Transamerica Life Insurance Company and its representatives do not give legal, tax or ERISA advice.

## Limitations and Exclusions

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### Hospital Select® III

Confinement for the same or related condition within 30 days of discharge will be treated as a continuation of the prior confinement. Successive confinements separated by more than 30 days will be treated as a new and separate confinement.

No benefits under this contract will be payable as the result of the following:

- suicide or attempted suicide.
- intentionally self-inflicted injury.
- rest care or rehabilitative care and treatment.
- immunization shots and routine examinations such as: physical examinations, mammograms, pap smears, immunizations, flexible sigmoidoscopy, prostate-specific antigen tests and blood screenings (unless Wellness Indemnity Benefit Rider is included).
- any pregnancy of a dependent child, except for complications of pregnancy, including confinement rendered to her child after birth.
- routine newborn care (unless Wellness Indemnity Benefit Rider is included).
- hospital confinement of a newborn child following the child's birth, unless the newborn child is being treated for accidental injury or sickness.
- an insured person's abortion, except for medically necessary abortions performed to save the mother's life.
- treatment of mental or emotional disorder (unless Inpatient Mental and Nervous Disorder Indemnity Benefit Rider is included).
- treatment of alcoholism or drug addiction (unless Inpatient Drug and Alcohol Addiction Indemnity Benefit Rider is included).
- participation in a riot or insurrection.
- any accident caused by the participation in any activity or event, including the operation of a vehicle, while under the influence of a controlled substance (unless administered by a physician or taken according to the physician's instructions) or while intoxicated (intoxicated means that condition as defined by the law of jurisdiction in which the accident occurred).
- dental care or treatment, except for such care or treatment due to accidental injury to sound natural teeth within 12 months of the accident and except for dental care or treatment necessary due to congenital disease or anomaly.
- sex change, reversal or tubal ligation or reversal of vasectomy.
- artificial insemination, in vitro fertilization, and test tube fertilization, including any related testing, medications or physician's services, unless required by law.
- committing, attempting to commit, or taking part in a felony or assault, or engaging in an illegal occupation.
- traveling in or descending from any vehicle or device for aerial navigation, except as a fare-paying passenger in an aircraft operated by a commercial airline (other than a charter airline) on a regularly scheduled passenger trip.
- any loss incurred on active duty status in the armed forces. (If you notify us of such active duty, we will refund any premiums paid for any period for which no insurance is provided as a result of this exception.)
- involvement in any war or act of war, whether declared or undeclared.

### Normal Pregnancy Limitation

No benefits are provided for normal pregnancy during the first 10 months this insurance is in force. Complications from pregnancy are covered the same as any other sickness.

### Portability Option

If the employee loses eligibility for this insurance for any reason other than fraud or nonpayment of premiums, they will have the option to continue this certificate (including any riders, if applicable) by paying the premiums directly to us within 31 days after this insurance terminates. We will bill the employee for these premiums after the employee notifies us to continue this insurance. The premiums the employee pays directly to us may exceed the premiums that were paid through the policyholder due to increased administrative costs for direct billing. If the employee stops paying the premiums under this option, this insurance will cease, subject to the terms of the Grace Period. The portability option is only available for the insured employee and their insured dependents. It is not available for the insured dependents without the insured employee.

## Limitations and Exclusions

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### Termination of Insurance

Subject to the Portability Option, the insurance terminates on the earliest of:

- the insured's death.
- the premium due date when we fail to receive a premium, subject to the grace period.
- the date the employee requests the insurance to be cancelled, or the date the request is received, whichever is later.
- the date the policy terminates.
- the date the insured ceases to be eligible for insurance.

Dependent insurance ends on the earliest of:

- the date the insured employee's insurance terminates.
- the date the dependent no longer meets the definition of a dependent.
- the date of the Dependent's death.
- the premium due date when we fail to receive a premium, subject to the grace period.
- the date the employee requests the Dependent's insurance to be cancelled, or the date the request is received, whichever is later.
- the date the policy is modified so as to exclude dependent insurance.

The insurance company has the right to terminate the insurance of any insured who submits a fraudulent claim.

Termination will not impact any claim which begins before the date of termination.

### Hospital Confinement Indemnity Benefit Rider:

We will not pay benefits under this rider for an emergency room stay, an outpatient stay or a stay in an observation unit or recovery room. We also will not pay a hospital confinement benefit for a newborn child's stay in the hospital unless the newborn child is confined to the hospital and is being treated for an accidental injury or sickness.

### Termination of the group master policy

This policy will end on the earliest of the following events:

1. If the policyholder submits an advance written request to us to terminate this policy, this policy will terminate on the date specified in that request.
2. If we give a 60-day advance written notice to the policyholder that we intend to terminate this policy, this policy will terminate on the date specified in that notice.
3. If any premium payable by the policyholder is not paid within its Grace Period, this policy will terminate on the day after the end of the Grace Period.
4. If the policyholder fails to comply with any terms of this policy or the policyholder application; fails to fulfill any obligations or duties under or pertaining to this insurance; or fails to comply with or cooperate with us in satisfying the requirements of any applicable law or regulation pertaining to this insurance; this policy will terminate on the 32nd day after we have given the policyholder written notice of our intent to terminate.

### Other insurance with us

An employee can only have one hospital indemnity policy or certificate with us. If a person already has hospital indemnity insurance with us, such person is not eligible to apply for this insurance.

## Disclosures

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### **GROUP BENEFITS DISCLOSURE POLICY**

Transamerica Employee Benefits (TEB) is a unit of Transamerica Life Insurance Company and Transamerica Financial Life Insurance Company. TEB markets and administers voluntary insurance benefits through licensed insurance agents. These agents are typically appointed to sell our products, and products of other providers, and receive various forms of compensation from us for the services provided. We believe our compensation arrangements with our agents are conducted with honesty, fairness and integrity. In addition, we realize that having trusted relationships between our agents and our customers is essential to all involved. To ensure this trust continues and to address any concerns within the industry, we have outlined our policy on agent compensation disclosure.

TEB's policy supports transparency and full disclosure of agent compensation to our customers and prospective customers. In addition, we have put controls in place to facilitate this disclosure and obligate our agents to disclose compensation information to customers: 1) when asked by a customer; 2) when receiving both a fee from the customer and compensation from TEB; and 3) when otherwise required by law. Agents must comply with all applicable laws in the sale of TEB products, including any pertaining to the disclosure of compensation information.

TEB's Group Benefits Compensation Disclosure Notice (below) describes the various means by which agents may be compensated for the sale of our products. It is the responsibility of your agent to share specific information with you about his or her compensation arrangements with TEB. Accordingly, please direct any compensation disclosure questions directly to your agent.

### **COMPENSATION DISCLOSURE NOTICE TO ALL POLICYHOLDERS**

Agents who sell and service our products are paid a commission. It varies by the type of insurance policy sold and the state where the policy was sold, and is based on a percentage of the premium received in the first year, and at policy renewal. Agents may receive advances or loans against anticipated commissions for cases sold or to be sold. These advances may or may not require the payment of interest, depending upon the agent's total business and historical experience with TEB.

Agents may receive other compensation from TEB in the form of cash or non-cash awards or prizes, based upon a variety of factors that may include the level of premium written or earned, persistency and growth of premium, or other performance measures. Agents who manage, supervise or recruit other agents or wholesale our products and services to other agents, may receive commission overrides on business that results from their efforts.

Some of our agents may receive additional payments for providing services in connection with the administration of our products. Fees for such services may be calculated on a per policy or per certificate basis or upon the premium volume associated with a specific case. TEB may additionally reimburse these agents/administrators for certain expenses, such as the cost of mailings.

Agents may occasionally obtain exclusive rights to market TEB products or services to agents, employers, employees, or members of associations or unions. Certain groups or associations may also agree to endorse TEB's products to their members. TEB may pay a fee for these exclusive marketing rights or endorsements. See your proposed policy documents or policy certificate package for more information on any such arrangements.

Up to date information regarding our compensation practices can be found in the Disclosures section of our website at: [www.tebcs.com](http://www.tebcs.com).