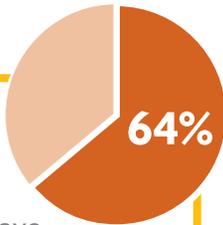


GAP INSURANCE

Help for the in-between time

64% of covered workers have coinsurance for hospital admissions.¹



Hospital Confinement Indemnity “Gap” insurance is designed to provide benefits that supplement existing major medical or comprehensive health insurance plans. The additional benefits help to cover out-of-pocket expenses related to coinsurance, co-pays and deductibles for inpatient and outpatient services.

Employers today are faced with the dilemma of how to contain rising health care costs while continuing to offer affordable coverage to their employees. Many are looking to higher deductibles and/or co-pays as a way to manage plan expenses, but are concerned about the additional financial burden on their employees. Our Gap plan can help employees adjust to their new health plan.

A benefit that is easy to offer

- Policies issued with a minimum of only 5 enrolled employees
- No health questions for timely applicants
- No exclusions for pre-existing conditions
- Full enrollment support available
- Flexible enrollment options
- Benefits can be paid directly to the employee, or assigned to their provider, if they prefer



1. The Kaiser Family Foundation and Health Research & Educational Trust: 2017 Employer Health Benefits Annual Survey

Group Gap Insurance Schedule	Covered Services	Benefit Amounts
Inpatient Benefit	<ul style="list-style-type: none"> • Inpatient hospital stays • Inpatient surgeries • Physician's in-hospital charges • Emergency room treatment for injury or sickness (sickness requires hospital confinement within 24 hours) 	<ul style="list-style-type: none"> • Range from \$1,000 to \$10,000 per covered person per calendar year* • The benefit maximum may not exceed the insured person's total out-of-pocket exposure under the employer's major medical or comprehensive health insurance plan
Outpatient Benefit	<ul style="list-style-type: none"> • Outpatient treatment of injury and sickness including surgery and diagnostic exams • Treatment may be performed in a hospital, physician's office, outpatient surgical or emergency facility, a diagnostic testing facility or similar facility that is licensed to provide outpatient treatment • Covers outpatient radiation and chemotherapy 	<ul style="list-style-type: none"> • Range from \$500 to \$2,500 per covered person per calendar year* • The benefit maximum may not exceed 50% of the Inpatient Benefit • The maximum calendar year benefit per family is two times the selected Outpatient Benefit

Underwriting Guidelines	
Minimum Lives	5 employees enrolled
Participation Requirement	Minimum percent not required**
Pre-existing Conditions Limitation	None included in this policy, however, a condition must be covered under the insured's major medical or comprehensive health insurance plan in order for benefits to be payable under this plan
Proof of Good Health	No health questions for timely applicants

*As selected by the employer.

**Some states require minimum number of eligible employees.

See How the Plan Works!

To see how a Gap plan with \$2,000 Inpatient and \$1,000 Outpatient benefits can help, let's assume you offer a Major Medical plan with a \$1,500 deductible, 80/20 coinsurance and \$2,500 out-of-pocket maximum.

Inpatient Benefit Payment Example*

Example: Hospital Stay & Surgery totaling \$12,000

Inpatient	With Gap Coverage	Without Gap Coverage
Deductible	\$1,500	\$1,500
Coinsurance	\$1,000	\$1,000
Total Out-Of-Pocket	\$2,500	\$2,500
Selected Gap Benefit	\$2,000	\$0
Net Out-Of-Pocket:	\$500	\$2,500

Outpatient Benefit Payment Example***

Example: One week of radiation for breast cancer totaling \$10,000

Outpatient	With Gap Coverage	Without Gap Coverage
Deductible	\$1,500	\$1,500
Coinsurance	\$1,000	\$1,000
Total Out-Of-Pocket	\$2,500	\$2,500
Selected Gap Benefit	\$1,000	\$0
Net Out-Of-Pocket:	\$1,500	\$2,500

The Gap policy may exclude expenses that are covered under the underlying major medical plan. In those instances, there may be out-of-pocket expenses that are not covered under Gap.

Be assured you will receive fast and accurate claims services. All you need is the EOB (Explanation of Benefits) and itemized bill from your major medical provider and the easy-to-complete claims form.

***This hypothetical example is for illustrative purposes only.



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This Hospital Confinement Indemnity “Gap” insurance policy provides limited benefits. This limited policy has some specific benefit limits and is not a medical insurance policy, a Medicare Supplement policy, or a high deductible health plan. Please refer to the issued insurance policy for complete details and all benefit requirements. Group Hospital Confinement Indemnity “Gap” insurance is underwritten by Fidelity Security Life Insurance Company (Kansas City, MO) under Group Master Policy MG-III; Policy Form No. M-9054, and is administered by Sun Life Assurance Company of Canada (Wellesley Hills, MA). Claims paid by Fidelity Security Life Insurance Company.

General Information

This plan is subject to federal COBRA requirements. This plan covers only those charges related to treatment rendered for injury or sickness delivered in an inpatient or outpatient setting. Physician’s charges are not covered in outpatient services, except for those provided in an Emergency Room. Wellness benefits are not covered under this plan.

If you currently have a health spending arrangement such as a Health Savings Account (HSA), or if you plan to open one in the future, please consult your tax advisor about the features offered in this supplemental medical policy, and the possible tax implications of combining these plans.

Limitations

This product does not have a pre-existing condition limitation, however, a condition must be covered under the insured’s major medical or comprehensive medical plan in order for benefits to be payable under this plan. Therefore any pre-existing condition limitation applied to the major medical or comprehensive medical plan, would, in effect, limit coverage under this plan. Pregnancy is covered the same as any other illness for insured employees and their insured spouses, but pregnancy (except for complications of pregnancy) is not covered for dependent children, unless required by state.

Definitions

Hospital means a legally authorized and operated institution for the care and treatment of sick and injured persons. It must have graduate registered nurses (R.N.) on 24 hour call and organized facilities for diagnosis or surgery either on its premises or in facilities available to it on a contractual prearranged basis. The following do not qualify as a Hospital: an institution, or part of it, which is used mainly as a facility for rest, nursing care, convalescent care, care of the aged, or for remedial education or training.

Hospital confinement or hospital confined means the Insured Person is admitted to a facility as

an overnight bed patient for a minimum of 15 consecutive hours.

Exclusions

The policy does not provide any benefits for the following: Declared or undeclared war or any act thereof; Suicide or intentionally self-inflicted injury or any attempt thereof, while sane or insane (while sane in CO and MO); Any Hospital Confinement or other covered treatment for Injury or Sickness while an Insured Person is in the service of the armed forces of any country. Orders to active military service for training purposes of two months or less do not, for this exclusion, constitute service in the armed forces of any country. Upon notification to the Company of entering the armed forces of any country, the Company will return to the Insured pro rata premium paid, less any benefits which have been paid, for any period during which the Insured Person is in such service; Confinement in a Hospital or other covered treatment provided in a facility operated by an agency of the United States government or one of its agencies, unless the Insured Person is legally required to pay for the services; Confinement or other covered treatment for Injury or Sickness which is not Medically Necessary; Confinement or other covered treatment for Dental or Vision not related to an accidental injury; Mental or nervous disorders; Alcoholism, drug addiction or complications thereof; Any Hospital Confinement or other covered treatment for Injury or Sickness for which compensation is payable under any Workers’ Compensation Law, any Occupational Disease Law, the 4800 Time Benefit Plan or similar legislation; Any hospital confinement or other covered treatment for Injury or Sickness that is payable under any insurance that does not require Deductible and/or Coinsurance payments by the Insured Person; Any hospital confinement or other covered treatment for Injury or Sickness for which benefits are not payable under the Insured Person’s Major Medical/ Comprehensive Policy; Any hospital confinement or other covered treatment for Injury or Sickness if, on the Insured Person’s effective date of coverage, the Insured Person was not covered by a Major Medical/ Comprehensive Policy. Our sole obligation will then be to refund all premiums paid for that Insured Person; and An Insured Person engaging in any act or occupation which is a violation of the law of the jurisdiction where the loss or cause occurred. A violation of the law includes both misdemeanor and felony violations.

Coverage will continue as long as the group policy remains in force, the premiums are paid and the insured remains eligible for coverage under the policy.

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