

## How the PIC First Hospital Confinement Rider(s) Works!

This primer is intended to provide a simple explanation of the PIC First Hospital Confinement Rider, which is IDENTICAL in the way that it works, either as a part of the base Hospital Indemnity package, or as an additional "underwritten" benefit. ( *A detailed explanation of the 'underwritten' form is provided as a component within the "Application Package."* ) The **First Hospital Confinement Rider** ( FHC ) is designed to pay out a maximum benefit of **\$5,000 Per Insured** for the first hospital confinement of a calendar year. This graph shows how benefits are paid.

Day ONE	Day TWO	Day THREE	Day FOUR	Day FIVE	Day SIX
\$500	\$500	\$1,000	\$1,000	\$1,000	\$1,000
<i>Total of \$500</i>	<i>Total of \$1,000</i>	<i>Total of \$2,000</i>	<i>Total of \$3,000</i>	<i>Total of \$4,000</i>	<i>Total of \$5,000</i>

Since the PRIMARY purpose of the PIC HI series is to provide additional supplemental protection against the 'out-of-pocket' costs/exposure left over from a Hospital Confinement after a Major Med, Major Hospital, or Hospital Surgical plan has paid its benefits. For that reason, just like the deductibles under these plans must be satisfied only once per year, the FHC benefit(s) pay only once per year. **If a separate, optional FHC rider is applied for and approved, each would pay the benefits described below, DOUBLING the amounts listed in the graph.** There is no carryover if not used.

If the full "6 day" benefit is not paid during the first hospital confinement of the year ( *the confinement was for less than 6 days* ) the balance may be paid if **a subsequent confinement for the same condition that caused the initial confinement occurs within 180 days.**

**EXAMPLE:** Client is confined for a Gall Bladder procedure, spends 5 days in the hospital, and collects for 5 days of the FHC rider ( *In this case, \$4,000* ). Subsequently, he is readmitted 30 days later to remove a sponge left behind during the original procedure. The client would receive an additional **\$1,000** for the '6th day,' as this would be treated as an extension of the original confinement, having happened within 180 days of the first. Had this second confinement been for a separate condition, or occurred after 180 days of the first, no benefits would be paid on the FHC rider. Other benefits, if included on the policy, such as Daily Room Benefit, Surgery& Anesthesia etc. WOULD be covered!

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**NOTE:** A similar benefit found in many PIC plan designs is the LUMP SUM benefit. **The lump sum simply pays a benefit of \$500 on the first day of hospital confinement,** per insured, each calendar year. **The Lump Sum benefit is paid IN ADDITION to any other plan benefits!**