



*LifeSecure Insurance Company
A Stock Company
[10559 Citation Dr., Suite 300
Brighton, MI 48116
1-888-575-8246
www.yourlifefecure.com]*

INDIVIDUAL HOSPITAL RECOVERY INSURANCE POLICY

THIS POLICY IS NOT A MEDICARE SUPPLEMENT POLICY. It is not intended to replace any Covered Persons' present health insurance. If a Covered Person is eligible for Medicare, review the *Guide to Health Insurance for People with Medicare* available from Us.

THIS POLICY IS GUARANTEED RENEWABLE TO AGE 64. You have the right, subject to the terms of this Policy, to continue this coverage until the Policy Anniversary on or following Your 64th birthday as long as You pay the required premiums on time. We cannot change any of the terms of Your coverage or benefits without Your consent.

PREMIUM CHANGES. You cannot be singled out for a rate increase due to a change in any Covered Person's age or health status. We can, however, change premiums, but only if We change the premiums for all similar policies issued in the same state and on the same form as this Policy. Any premium changes will be effective on the next Premium Due Date following Our notice to You. We must give You at least 60 days written notice before the effective date of a premium change, and We cannot increase Your premium more than once in a twelve month period.

30-DAY FREE LOOK. If for any reason You decide not to keep this Policy, simply return it to Us within 30 days after You receive it. We will treat the Policy as though it had never been issued. We will refund the full amount of any premium paid within 10 days following receipt of the returned Policy.

PRE-EXISTING CONDITIONS LIMITATION. This Policy includes a limitation for Pre-Existing Conditions. Any Pre-Existing Condition as defined in Section 6, that occurred within the 12 month period before the Policy Effective Date will not be covered for the first 6 months after the Policy Effective Date.

This is a supplement to health insurance. It is not a substitute for essential health benefits or minimum essential coverage as defined in federal health law.



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CAUTION: THIS IS A LIMITED BENEFIT POLICY – PLEASE READ IT CAREFULLY!

This Policy provides limited supplemental benefits and is not intended to cover all medical expenses. The issuance of this limited benefit Individual Hospital Recovery Insurance Policy is based upon responses to questions on the Application. A copy of the Application is enclosed. Please read it carefully. If answers are incorrect or untrue, We may have the right to deny benefits or rescind the Policy. 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 at the address shown above. **This Policy does not provide minimum essential coverage as required by the Affordable Care Act and does not satisfy the individual responsibility requirements of section 5000A of the Internal Revenue Code.**

Secretary

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President

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This is a non-participating Policy.

TABLE OF CONTENTS

	PAGE
SECTION 1: Description of Benefits and Features	4
SECTION 2: Eligibility and Claims Process	5
SECTION 3: Limitations or Conditions on Eligibility for Benefits	7
SECTION 4: Premium and Renewal Provisions	8
SECTION 5: General Provisions	10
SECTION 6: Glossary	13

Schedule of Benefits	Enclosed
A copy of the Application for this Policy	Enclosed
Any appropriate Riders, Endorsements or Notices	Enclosed

Refer to the Schedule of Benefits to determine benefits, options and applicable coverage details.

Note: *This Policy contains terms that have a special meaning when applied to this coverage. To help You recognize these terms, each word is capitalized wherever it appears throughout the Policy. These terms either: 1) appear in the Glossary (Section 6) with a corresponding definition; and/or 2) appear in a heading or sub-heading within the Policy with accompanying text providing further explanation.*

SECTION 1: DESCRIPTION OF BENEFITS AND FEATURES

Annual Benefit Bank and Daily Benefit Amount

The Schedule of Benefits shows the Annual Benefit Bank and the Daily Benefit Amount for each Covered Person. The Annual Benefit Bank represents the total dollar benefit amount available to each Covered Person under this Policy each calendar year. The Daily Benefit Amount shows the amount We will pay for each day the Covered Person was Confined in a Hospital.

For example, a \$500 Daily Benefit amount would give you, and each covered family member, an Annual Benefit Bank of \$15,000.

\$500	X	30 Days	=	\$15,000
Daily Benefit Amount		Maximum Days Allowed		Annual Benefit Bank

A Covered Person's Annual Benefit Bank balance is reduced by all benefit amounts paid to the Covered Person. On January 1st of each year, We will restore each Covered Person's Annual Benefit Bank to the full amount shown on the Schedule of Benefits.

Benefit Payout Structure

The Schedule of Benefits shows the Daily Benefit Amount available for each day the Covered Person was Confined as an Inpatient in a Hospital while their coverage was in force. We will pay benefits to the Covered Person based on the number of days the Covered Person was Confined in a Hospital up to an annual calendar year maximum equal to the Covered Person's Annual Benefit Bank. In order to qualify for this benefit, We must be able to verify that the Covered Person meets all of the following conditions:

- the Covered Person was Confined as an Inpatient in a Hospital;
- the Covered Person was discharged from the Hospital
- coverage under this Policy was in force on the date(s) the Covered Person was admitted to the Hospital; and
- the Covered Person has not exhausted his or her Annual Benefit Bank.

If a Covered Person dies while confined as an Inpatient in a Hospital, the date of death will be treated as the date of discharge under this Policy. We will not pay more than the Covered Person's Annual Benefit Bank for any one Confinement.

SECTION 2: ELIGIBILITY AND CLAIMS PROCESS

Eligibility Requirements

You, Your Spouse and any Dependent Children are eligible for coverage under this Policy. Each person must be insurable according to Our underwriting rules and standards. Persons who are eligible on the Policy Effective Date or who later become eligible for coverage will be included as Covered Persons under this Policy upon:

- Application by You;
- The furnishing of proof of insurability; and
- The payment of the premium, if any.

Eligibility for Newborn and Newly Adopted Children

Dependent Children born or adopted after the Policy Effective Date are automatically covered for the first 31 days from the date of birth or placement for adoption. If Your Type of Coverage is Self + Children or Self + Spouse/Domestic Partner & Children, no additional action is needed to continue coverage beyond this period.

If Your Type of Coverage is Self Only or Self + Spouse/Domestic Partner coverage and You desire uninterrupted coverage for a newborn, adopted or foster child, You must notify Us in writing within 31 days of the child's birth or the moment of placement in the home for an adopted or foster child. Upon notification, We will amend the Type of Coverage and advise You of the additional premium due.

If You or Your Spouse are insured by Us under separate hospital insurance policies that cover similar expenses, and both policies provide for the coverage of newborn or newly adopted children for 31 days from the moment of birth, Your child will be covered by either one, but not both of these policies. Your child may be added to either policy, but not both.

How To File A Claim – Your Role

If there is a loss covered by this Policy, You must provide Us with:

- Notice of Claim
- Completed Claim Forms; and
- Proof of Loss

Notice of Claim

Written Notice of Claim must be given to Us within 120 days from the date of loss or as soon as reasonably possible.

You can notify Us by using the mailing address or phone number as follows:

LifeSecure Administrative Office ATTN: Claims Department P. O. Box 13490 Pensacola, FL 32591-3490 1.888.575.8246
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Claim Forms

When We receive the Notice of Claim, We will send Claim Forms to be completed. If these Claim Forms are not sent within 15 days, the requirement for Proof of Loss will have been met if a written statement has been provided to Us about the loss within the time allowed for filing a Proof of Loss.

Proof of Loss

You will need to submit written proof of loss to Us within 120 days from the date of loss. Failure to furnish proof within the time period shall not invalidate nor reduce any claim if it was not reasonably possible for You to provide such notice. In any event, except for legal incapacity, Proof of Loss must be given no later than one year from the date proof is otherwise required.

To Whom Benefits Are Payable (Time Payment of Claims)

We will pay benefits immediately upon receipt of Proof of Loss. All benefits will be payable to You unless otherwise assigned. Any benefits unpaid at Your death will be payable to Your designated beneficiary or estate, if no beneficiary was designated. If benefits are payable to an estate or to a minor or a person otherwise not competent to give a valid release, We may pay up to \$1,000 of such benefits otherwise payable to Your estate directly to someone related to You by blood or marriage who is deemed by Us to be justly entitled to the benefits. Any payment made by Us in good faith according to this provision will discharge Us to the extent of the payment.

All benefits are payable in United States dollars only.

Excessive Coverage

No individual may be insured under more than one Hospital Recovery Policy at any given time. If a Covered Person has coverage under more than one Policy, whether in one state or in more than one state, the amount of liability under the Policy shall be limited only to the amount payable on that Policy with the highest available benefit and any premiums paid to Us for Excessive Coverage shall be refunded to You or to Your estate.

SECTION 3: LIMITATIONS OR CONDITIONS ON ELIGIBILITY FOR BENEFITS

Pre-Existing Condition Limitation

Care or treatment caused by a Pre-Existing Condition will not be covered unless it begins more than 6 months after the Policy Effective Date.

Exclusions

No benefits will be payable if a Covered Person's Confinement as an Inpatient in a Hospital is directly or indirectly a result of:

- operating, learning to operate, or serving as a crew member of any aircraft; or
- engaging in hang-gliding, hot air ballooning, bungee jumping, parachuting, scuba diving, sail gliding or parasailing; or
- riding in or driving any motor-driven vehicle in a race, stunt show or speed test; or
- officiating, coaching, practicing for or participating in any semi-professional or professional competitive athletic contest for which any type of compensation or remuneration is received; or
- war or act of war which is not an act of terrorism, whether declared or undeclared, while serving in the armed forces or any auxiliary unit; or
- voluntarily participating in or attempting to participate in an illegal activity that is classified as a felony, whether charged or not (the term felony is as defined by the law of the jurisdiction in which the activity takes place); or
- dental treatment or plastic surgery for cosmetic purposes (this exclusion does not apply if the treatment or surgery is (a) due to an Injury; or (b) to restore normal bodily functions); or
- elective surgery; or
- normal pregnancy, except for Complications of Pregnancy; or
- an attempt at suicide, while sane or insane, or an intentionally self-inflicted injury; or
- being intoxicated or under the influence of alcohol, drugs or any narcotic unless administered on the advice and instructions of a Physician or other medical professional.

No benefits will be payable under this Policy for expenses or treatment of:

- a Mental or Nervous Disorder or disease; or
- alcoholism or drug addiction; or
- care or services provided outside the United States of America, its territories or possessions, or Canada.

SECTION 4: PREMIUM AND RENEWAL PROVISIONS

Premium Payments

You will pay premiums to Us or to one of Our agents. Your first premium is due on the Policy Effective Date as shown on Your Schedule of Benefits.

To keep Your Policy in force after payment of the first full modal premium, You must pay each premium before the end of the Grace Period.

Grace Period

There is a 31 day Grace Period. This means that if a premium is not paid on or before the date it is due, it may be paid during the following 31 days. Coverage under the Policy will remain in force during the Grace Period, unless We have been advised in writing by You or Your Representative that You want to cancel coverage prior to the end of the Grace Period.

Notification of Termination Due to Non-Payment of Premium

If premium is due and unpaid at the end of the Grace Period, We will give notice of termination to You. The notice of termination will be sent at the end of the Grace Period and at least 35 days in advance of termination. This notice will state the amount of unpaid premium, the date by which premium must be paid, and the date the coverage is to terminate. Our notice will be sent prepaid by United States first class mail. We will consider You notified as of five calendar days after the date the notice is mailed by Us. If Your premium remains unpaid on the termination date stated in the notice, Your coverage will terminate as of the end of the Grace Period. Any benefits payable after the last date for which Your premium was paid will be reduced by the premium due from the date the last premium was paid to the date Your coverage under the Policy terminated.

Unpaid Premium

When a claim is paid, any premium due and unpaid may be deducted from the claim payment.

Unearned Premium

If You cancel Your Policy or coverage terminates due to the death of a Covered Person, We will promptly return any unearned premium.

Reinstatement

If coverage is terminated due to non-payment of premiums, You may apply for reinstatement by notifying Us. You will be asked to complete an Application, and We have the right to require evidence of insurability. A completed Application must be received by Us within one year after the end of the Grace Period..

If We approve the Application, the Policy will be reinstated as of the approval date. If We have not approved the Application or informed You of Our disapproval, the Policy will be reinstated on the 45th day after the Application date. The Effective Date of the reinstated Policy will show on Your Schedule of Benefits. The Application for reinstatement will be contestable for two years from the date of its approval.

The reinstated policy will cover loss resulting from Injury sustained on or after the date of reinstatement and loss resulting from Sickness that begins more than ten days after the date of reinstatement. In all other respects, upon reinstatement all Covered Persons will have the same rights under the Policy as they had prior to the Premium Due Date of the defaulted premium. Any premiums that We accept for reinstatement will be applied to a period for which premiums have not been paid. No premiums will be applied to any period more than 60 days prior to the date of reinstatement.

SECTION 5: GENERAL PROVISIONS

Coverage Effective Date

Covered Persons meeting the conditions in the Eligibility Requirements provision when this Policy is issued will become covered under the Policy on the Policy Effective Date shown on the Schedule of Benefits, subject to payment of the required full modal premium. Covered Persons added after the Policy Effective Date will become covered under the Policy on the date the Application for such Covered Persons is approved and any required premium has been paid. However, newborn and newly adopted Dependent Children will be covered when eligible, as described in the Eligibility for Newborn and Newly Adopted Children provision.

Coverage Termination Date

Your coverage terminates on the first to occur of:

- the date of Your death; or
- the date You cancel Your coverage;
- the Policy Anniversary on or following Your 64th birthday; or
- the last day of the Grace Period.

Subject to the Continuation provision, coverage for a Spouse under this Policy will terminate on the earliest of:

- the Policy Anniversary on or following the Spouse's 64th birthday;
- the Policy Anniversary on or following the Spouse's divorce or dissolution of domestic partnership; or
- the date of the Spouse's death.

Coverage for Dependent Children age 26 or older will not terminate if they are:

- Unmarried;
- Incapable of self-sustaining employment by reason of intellectual or physical disability (intellectual or physical disability includes mental retardation, physical handicap and mental or physical incapacity); and
- Chiefly dependent on You for support and maintenance.

On or following the policy anniversary date following Your Dependent Child's 26th birthday, We may request proof of mental or physical disability. We may require at reasonable intervals during the next two (2) years subsequent proof of the Dependent's incapacity and dependency. After the first two (2) years, We will not ask for proof of incapacity more than once a year.

Entire Contract

The entire contract consists of: the Policy, the Schedule of Benefits, the Application and any riders or endorsements to the Policy that are issued by Us. This Policy is issued in consideration of the attached Application and the payment in advance of the first premiums.

Contract Changes

Any contract change made by Us must be signed by one of Our executive officers. No agent may modify or waive any of the terms of the contract. No change in the contract is effective until You accept the change in writing or electronically, with the following exceptions: a change in the premiums; a change which is required by law or regulation; or a change which does not reduce or eliminate benefits or coverage. These exceptions do not include an increase in benefits or coverage with a like increase in premium. Any change will be without prejudice to any claim incurred for benefits prior to the date of the change.

Misstatements/Incontestability

In issuing this Policy, We have relied upon information presented in the Application. After a Covered Person has been insured under the Policy for two years, no misstatements, except fraudulent misstatements, made by the Covered Person in the Application for such Policy will be used to rescind the Policy or deny a claim for loss incurred commencing after the expiration of such two year period.

Misstatement of Age

If a Covered Person's age was misstated in the Application, We will adjust the premium to the correct amount of insurance at the correct age as of the Covered Person's Coverage Effective Date. The amount of the insurance shall not be affected, provided that any necessary adjustment in premium is made and collected. If according to Your correct age, this Policy would not have become effective or would have terminated before acceptance of the premium, Our liability is limited to the refund of all premiums paid.

Conformity With State Statutes/Severability

Any provision of this Policy which, on the Coverage Effective Date, is contrary to the applicable laws of the state where the Policy is delivered is amended to conform to the minimum requirements of such state laws.

Time Periods

All time periods start and end at 12:01 a.m. in the time zone in which You reside.

Clerical Error

Clerical error or delays in making entries on the records by Us or Our designees will not void this coverage if coverage would otherwise have been in effect. Such clerical error will not cause any Covered Person to become insured if such Covered Person were otherwise not eligible. Such clerical error will also not extend coverage if coverage would otherwise have ended or been reduced as provided by the Policy. If a clerical error is found, premiums and benefits will be adjusted based on the true facts and the provisions of the Policy.

Physical Exam & Autopsy

We, at Our own expense, shall have the right and opportunity to examine the person of any Covered Person when and as often as We may reasonably require during the pendency of a claim and to request an autopsy in case of death where it is not forbidden by law.

Legal Actions

No action may be brought to recover under this Policy until 60 days after written proof of loss has been given to Us in accordance with the requirements of this Policy. No action can be brought after three years from the date written or electronic proof of loss was required to be given.

Beneficiary Change

You may change the beneficiary at any time by giving Us written or electronic notice, without beneficiary consent. The effective date of the beneficiary change will be the date the change is received and recorded by Us. A Beneficiary cannot make any changes to this Policy.

Appeal Process

If You disagree with Our decision regarding Your claim, You can appeal. You may request in writing or electronically within 60 days of Our decision that We reconsider Your claim. Include the reason for the appeal and any documents You feel are pertinent to the situation. You are responsible for the expense of securing additional information, if applicable, for each instance of reconsideration. We will send You Our decision in writing or electronically within 30 days of Our receipt of Your appeal request.

Continuation

If You die while this Policy is in force and Your Spouse is covered under this Policy, Your Spouse will become the Policyholder, without additional evidence of insurability. In all other ways, this Policy will continue as it was prior to Your death. The premium will be based on the original issue age of the Spouse.

SECTION 6: GLOSSARY

This Section provides the definitions of words and terms used in the Policy that have a special meaning when applied to Your coverage. To help You recognize these special words and terms, each word is capitalized wherever it appears throughout the Policy.

Application

The written or electronic Application form provided by Us and completed by You when You apply for coverage.

Annual Benefit Bank

The overall maximum benefit amount payable under this Policy each calendar year for each Covered Person. This amount decreases for benefits paid during the year. At the first of each calendar year, the Annual Benefit Bank amount will be restored to the original amount at time of issue.

Complications of Pregnancy

Means a condition (when the pregnancy is not terminated) for which the diagnosis is distinct from pregnancy, but which is adversely affected by pregnancy or caused by pregnancy, and includes, but is not limited to:

- Non-elective Cesarean section;
- Acute nephritis;
- Nephrosis;
- Cardiac decomposition;
- Placenta praevia;
- Puerperal infection;
- Miscarriage;
- Missed abortion; and similar medical and surgical conditions of comparable severity;
- Ectopic pregnancy which is surgically terminated and spontaneous termination of pregnancy occurring during a time that a viable birth is not possible; and
- Pernicious vomiting (hyperemesis gravidarum), pre-eclampsia and toxemia with convulsions (eclampsia of pregnancy).

Complications of Pregnancy cease upon termination of the pregnancy.

Complications of Pregnancy do not include:

- Elective Cesarean section;
- False labor;
- Pre-term contractions of labor;
- Advanced maternal age;
- Occasional spotting;
- Bed rest prescribed by a Physician during the period of pregnancy;
- Morning sickness;
- Similar conditions which, although associated with the management of a difficult pregnancy and back pain, are not medically classified as distinct Complications of Pregnancy.

Confinement or Confined

The assignment to a bed as a resident Inpatient in a Hospital and be at the direction of and under the supervision of a Physician. Observation, emergency or outpatient rooms are not considered Confinement.

Covered Person

The Policyholder, the Policyholder's Spouse and/or Dependent Child(ren) who have applied and are approved for coverage.

Daily Benefit Amount

The dollar amount of benefits payable to You for each day the Covered Person was Confined as an Inpatient in a Hospital. Your Schedule of Benefits shows the Daily Benefit Amount for each Covered Person.

Dependent Child(ren)

Means Your children, stepchildren, foster or legally adopted children who are dependent on less than 26 years old and:

- Named on the application;
- Born to You after the rider effective date;
- Legally adopted by You after the rider effective date; or
- Your legal obligation for total or partial support including the anticipation of adoption.

Hospital

A lawfully operated institution which:

- Has resident facilities for sick and injured patients;
- Primarily provides diagnostic, medical and surgical treatment for a fee to sick or injured persons;
- Has 24 hour continuous nursing service by or under the supervision of a graduate registered nurse;
- Has at least one Physician on staff who is on call at any time; and
- Is duly licensed and operating within the scope of its license.

A Hospital is not an institution or part of an institution that primarily provides hospice care, rehabilitation, custodial, convalescent, skilled nursing, or rest care, a psychiatric unit, or a facility which primarily cares for the aged, drug addicts or alcoholics.

Injury/Injured

"Injury" means bodily damage sustained by a covered person which is the direct cause of a loss under this Policy, and is independent of disease, bodily infirmity, or other cause and occurs while the policy is in force.

Inpatient

Confinement in a Hospital as a resident and under the care of a Physician.

Medicare

Title XVIII of the Social Security Act as amended.

Mental or Nervous Disorder

Any neurosis, psychoneurosis, psychopathology, psychosis, or mental or emotional disease or disorder, as classified in the *Diagnostic and Statistical Manual of Mental Disorders (DSM)* published by the American Psychiatric Association. If the DSM is discontinued or replaced, the diagnostic manual in use by the American Psychiatric Association as of the date of the Covered Person's illness will be used.

Physician

A person who is legally qualified and licensed as a doctor of medicine or doctor of osteopathy by the state in which he or she performs such function or action.

A Physician is not:

- someone related to You through blood or marriage;
- someone who customarily resides in the same household as You; or
- You.

Policy

The contract between You and Us.

Policy Effective Date

The date the initial coverage begins upon receipt of the first full modal premium.

Policyholder

The person named on the Schedule of Benefits.

Pre-Existing Conditions

A Pre-Existing Condition is a Sickness or Injury for which, within the 12 month period before the effective date of the Policy, medical advice, consultation or treatment was recommended or received..

Premium Due Date

Each date a premium is due, after the initial premium, in accordance with the terms of this Policy.

Representative

A person or entity legally empowered to represent a Covered Person.

Sickness

A disease or illness which results in loss covered by this Policy, while this Policy is in force subject to the Pre-Existing Condition limitation.

Spouse

Means Your lawfully married spouse, civil union partner, domestic partner or legal partner.

Type of Coverage

The Schedule of Benefits indicates the Type of Coverage issued:

- **Self Only** covers only the Policyholder;
- **Self + Spouse/Domestic Partner** covers the Policyholder and the Policyholder's Spouse;
- **Self + Children** covers the Policyholder and the Policyholder's Dependent Children, unless specifically excluded by name;
- **Self + Spouse/Domestic Partner & Children** covers the Policyholder, the Policyholder's Spouse and the Policyholder's Dependent Children, unless specifically excluded by name.

We, Us, Our

LifeSecure Insurance Company or the administrator it designates.

You, Your or Yourself

The Policyholder named on Your Schedule of Benefits.