

SERFF Tracking Number: RNIC-126117899 State: Arkansas  
Filing Company: Reserve National Insurance Company State Tracking Number: 42152  
Company Tracking Number:  
TOI: H14I Individual Health - Hospital Indemnity Sub-TOI: H14I.000 Health - Hospital Indemnity  
Product Name: HDI-AMB Ambulance Benefit Rider  
Project Name/Number: HDI-AMB Ambulance Benefit Rider/

## Filing at a Glance

Company: Reserve National Insurance Company

Product Name: HDI-AMB Ambulance Benefit Rider SERFF Tr Num: RNIC-126117899 State: Arkansas

Rider

TOI: H14I Individual Health - Hospital Indemnity SERFF Status: Closed-Approved-Closed State Tr Num: 42152

Sub-TOI: H14I.000 Health - Hospital Indemnity Co Tr Num: State Status: Approved-Closed  
Filing Type: Form/Rate Reviewer(s): Rosalind Minor

Authors: Kyle Conrad, Brenda Ingram Disposition Date: 05/11/2009

Ingram

Date Submitted: 04/16/2009 Disposition Status: Approved-Closed

Implementation Date Requested:

Implementation Date:

State Filing Description:

## General Information

Project Name: HDI-AMB Ambulance Benefit Rider

Project Number:

Requested Filing Mode: Review & Approval

Explanation for Combination/Other:

Submission Type: New Submission

Overall Rate Impact:

Filing Status Changed: 05/11/2009

Deemer Date:

Submitted By: Brenda Ingram

Filing Description:

April 16, 2009

Status of Filing in Domicile: Authorized

Date Approved in Domicile: 04/10/2009

Domicile Status Comments:

Market Type: Individual

Group Market Size:

Group Market Type:

Explanation for Other Group Market Type:

State Status Changed: 05/11/2009

Created By: Brenda Ingram

Corresponding Filing Tracking Number:

Ms. Rosalind D. Minor

Certified Rate and Form Analyst

Life and Health Division

Arkansas Insurance Department

1200 West Third Street

SERFF Tracking Number: RNIC-126117899 State: Arkansas  
Filing Company: Reserve National Insurance Company State Tracking Number: 42152  
Company Tracking Number:  
TOI: H141 Individual Health - Hospital Indemnity Sub-TOI: H141.000 Health - Hospital Indemnity  
Product Name: HDI-AMB Ambulance Benefit Rider  
Project Name/Number: HDI-AMB Ambulance Benefit Rider/  
Little Rock, AR 72201-1904

RE: Reserve National Insurance Company - NAIC # 68462; FEIN# 73-0661453  
Form HDI-AMB – Ambulance Benefit Rider  
Form OC HDI AR (4/09) – Outline of Coverage

Dear Ms. Minor:

Enclosed are copies of the above-referenced form, which we request you consider for approval. This is a new filing not previously submitted.

Form HDI-AMB is an optional benefit rider that will be available with Hospital Confinement Indemnity Policy Form HDI, which was previously approved by your office approved. Form HDI-AMB provides stated indemnity benefits for transportation by air ambulance and ground ambulance.

Also enclosed is Form OC HDI AR (4/09), which is a revision of the previously approved outline of coverage for Form HDI. The only change to the previously approved outline is the availability of Form HDI-AMB.

The rates for Form HDI-AMB and a supporting actuarial memorandum are also enclosed.

Please furnish us with evidence of your approval.

Thank you for your consideration. If there are any questions, you may contact me by telephone at (800) 874-1431, by fax at (405) 840-3426 or by e-mail at [kconrad@unitrin.com](mailto:kconrad@unitrin.com).

Sincerely,

Kyle D. Conrad  
Senior Vice President  
and Associate Corporate Counsel

## Company and Contact

### Filing Contact Information

Kyle Conrad, Vice President & Associate Corporate Counsel  
6100 N. W. Grand Blvd  
Oklahoma City, OK 73118  
[kconrad@unitrin.com](mailto:kconrad@unitrin.com)  
800-874-1431 [Phone] 549 [Ext]

SERFF Tracking Number: RNIC-126117899 State: Arkansas  
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 Product Name: HDI-AMB Ambulance Benefit Rider  
 Project Name/Number: HDI-AMB Ambulance Benefit Rider/

**Filing Company Information**

Reserve National Insurance Company CoCode: 68462 State of Domicile: Oklahoma  
 6100 N.W. Grand Boulevard Group Code: 215 Company Type: Life and Health  
 Oklahoma City, OK 73118 Group Name: Reserve National State ID Number:  
 (405) 848-7931 ext. 549[Phone] FEIN Number: 73-0661453

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**Filing Fees**

Fee Required? Yes  
 Fee Amount: \$70.00  
 Retaliatory? No  
 Fee Explanation: 50.00 rates  
 20.00 per form  
 Per Company: No

| COMPANY                            | AMOUNT  | DATE PROCESSED | TRANSACTION # |
|------------------------------------|---------|----------------|---------------|
| Reserve National Insurance Company | \$70.00 | 04/16/2009     | 27220978      |

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## Correspondence Summary

### Dispositions

| Status          | Created By     | Created On | Date Submitted |
|-----------------|----------------|------------|----------------|
| Approved-Closed | Rosalind Minor | 05/11/2009 | 05/11/2009     |

*SERFF Tracking Number:*      *RNIC-126117899*                      *State:*                      *Arkansas*  
*Filing Company:*              *Reserve National Insurance Company*              *State Tracking Number:*      *42152*  
*Company Tracking Number:*  
*TOI:*                      *H14I Individual Health - Hospital Indemnity*      *Sub-TOI:*                      *H14I.000 Health - Hospital Indemnity*  
*Product Name:*              *HDI-AMB Ambulance Benefit Rider*  
*Project Name/Number:*      *HDI-AMB Ambulance Benefit Rider/*

## **Disposition**

Disposition Date: 05/11/2009

Implementation Date:

Status: Approved-Closed

Comment:

Rate data does NOT apply to filing.

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| <b>Schedule</b>            | <b>Schedule Item</b>             | <b>Schedule Item Status</b> | <b>Public Access</b> |
|----------------------------|----------------------------------|-----------------------------|----------------------|
| <b>Supporting Document</b> | Flesch Certification             | Approved-Closed             | Yes                  |
| <b>Supporting Document</b> | Application                      | Approved-Closed             | Yes                  |
| <b>Supporting Document</b> | Health - Actuarial Justification | Approved-Closed             | No                   |
| <b>Supporting Document</b> | Outline of Coverage              | Approved-Closed             | Yes                  |
| <b>Form</b>                | Ambulance Benefit Rider          | Approved-Closed             | Yes                  |
| <b>Form</b>                | Outline of Coverage              | Approved-Closed             | Yes                  |
| <b>Rate</b>                | Exhibit 1 Rate Sheets            | Approved-Closed             | Yes                  |

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## Form Schedule

### Lead Form Number: HDI-AMB

| Schedule Item                 | Form Number         | Form Type   | Form Name   | Action  | Action Specific Data                                     | Readability | Attachment            |
|-------------------------------|---------------------|---|---|---------|--|-------------|-----------------------|
| Approved-Closed<br>05/11/2009 | HDI-AMB             | Policy/Cont<br>ract/Fratern<br>al<br>Certificate:<br>Amendmen<br>t, Insert<br>Page,<br>Endorseme<br>nt or Rider | Policy/Cont Ambulance Benefit<br>ract/Fratern Rider | Initial |  | 73.872      | HDI-AMB.pdf           |
| Approved-Closed<br>05/11/2009 | OC HDI AR<br>(4/09) | Outline of<br>Coverage  | Outline of Coverage                                 | Revised | Replaced Form #:<br>OC HDI (11/07)<br>Previous Filing #: |             | OC HDI AR<br>0409.pdf |

**RESERVE NATIONAL INSURANCE COMPANY**  
OF OKLAHOMA CITY, OKLAHOMA

**AMBULANCE BENEFIT RIDER**

In consideration of the additional premium and effective with the date of issue, coverage under the Policy to which this Rider is attached is extended to include the following benefit:

**BENEFIT FOR AMBULANCE**

If a Covered Person, while the Policy is in force, is transported to or from a Hospital as a result of an Injury or Sickness, we will pay the applicable benefit as follows:

- (a) **Air Ambulance:** We will pay \$5,000.00 for air transportation by a licensed ambulance service, limited to two air ambulance trips per Policy Year.
- (b) **Ground Ambulance:** We will pay \$600.00 for ground transportation by a licensed ambulance service, limited to four ground ambulance trips per Policy Year.

Benefits under this Rider will not be payable for any ambulance trip that is taken for the purpose of convenience.

All the provisions, conditions, limitations and exclusions of the Policy to which this Rider is attached which are not modified hereby and which are not in conflict herewith shall be applicable to this Rider.

IN WITNESS WHEREOF, RESERVE NATIONAL INSURANCE COMPANY has caused this Rider to be executed by its President and attested by its Secretary.

  
Secretary

  
President



6100 NORTHWEST GRAND BLVD. - OKLAHOMA CITY, OKLAHOMA 73118-1082

**HOSPITAL CONFINEMENT INDEMNITY POLICY**  
**THIS POLICY PROVIDES FIXED INDEMNITY BENEFITS WHICH**  
**ARE SUPPLEMENTAL AND ARE NOT INTENDED TO COVER**  
**ALL MEDICAL EXPENSES**  
**OUTLINE OF COVERAGE**

Reserve National Insurance Company is hereinafter referred to as "we," "us" or "our." The individual(s) covered under the Policy are referred to as "you," "your" or "Covered Person."

**1. Read Your Policy Carefully** - This outline of coverage provides a very brief description of the important features of Hospital Confinement Indemnity Policy Form HDI. This is not the insurance contract and only the actual Policy provisions will control. The Policy itself sets forth in detail the rights and obligations of both you and Reserve National Insurance Company. It is therefore important that you **Read Your Policy Carefully!**

**2. Hospital Confinement Indemnity Coverage** is designed to provide coverage in the form of a fixed daily benefit during periods of hospitalization resulting from a covered Injury or Sickness, subject to all the Policy's conditions, limitations and exclusions. Coverage is not provided for any benefits other than (a) the fixed daily indemnity for hospital confinement and (b) any additional benefit described below that you have selected. **THIS IS A LIMITED POLICY. THIS POLICY IS DESIGNED TO SUPPLEMENT, NOT REPLACE, EXISTING HOSPITALIZATION AND MEDICAL COVERAGE.**

**3. BENEFIT FOR HOSPITAL CONFINEMENT:** If a Covered Person is confined in a Hospital as a resident inpatient as a result of an Injury or Sickness, we will pay the following Benefit for Hospital Confinement for each day of confinement, beginning with the first day, **limited to the Maximum Hospital Confinement Benefit Period of 31 days for each Policy Year:**

a) **For the first 10 full days of Hospital confinement:** \$ \_\_\_\_\_ **per day**

b) **For the next 21 full days of Hospital confinement:** \$ \_\_\_\_\_ **per day**

A "day" is a 24-hour period. No benefit is payable for a partial day of Hospital confinement.

4. \_\_\_\_\_ (applicant's initials to select) **OPTIONAL BENEFIT FOR INPATIENT DOCTOR VISITS:** If a Covered Person is confined in a Hospital as a resident inpatient as a result of an Injury or Sickness, we will pay the Benefit for Inpatient Doctor Visits in the.. amount of \$50.00 for each day the Benefit for Hospital Confinement is payable for such confinement and the confined Covered Person receives personal treatment by a Physician. Each Covered Person is limited to one Benefit for Inpatient Doctor Visits for each day he/she receives personal treatment by one or more Physicians while confined in a Hospital, but not to exceed the number of days the Benefit for Hospital Confinement is payable in a Policy Year.

5. \_\_\_\_\_ (applicant's initials to select) **OPTIONAL BENEFIT FOR ACCIDENTAL DEATH/DISEMBLEMENT:** If a Covered Person sustains an accidental bodily Injury which, within 90 days of such accident, results in his/her death or loss of sight or dismemberment of his/her hands or feet, we will pay benefits scheduled in the Policy ranging from \$1,000.00 for the loss of one limb to \$5,000.00 for accidental death.

6. \_\_\_\_\_ (applicant's initials to select) **OPTIONAL SURGEON'S EXPENSE RIDER:** If a Covered Person has a surgical operation as a result of an Injury or Sickness, we will pay **20%** of the expense incurred for the primary surgeon who performs the operation, limited to a **maximum benefit of \$5,000.00 for all surgical operations performed in a Policy Year.** Hospital confinement is not required for this benefit to be payable.

7. \_\_\_\_\_ (applicant's initials to select) **OPTIONAL AMBULANCE BENEFIT RIDER:** If a Covered Person is transported to or from a Hospital as a result of an Injury or Sickness, we will pay the applicable benefit as follows:

(a) **Air Ambulance:** We will pay **\$5,000.00** for air transportation by a licensed ambulance service, limited to **two air ambulance trips per Policy Year.**

(b) **Ground Ambulance:** We will pay **\$600.00** for ground transportation by a licensed ambulance service, limited to **four ground ambulance trips per Policy Year.**

Benefits under this Rider will not be payable for any ambulance trip that is taken for the purpose of convenience.

8. \_\_\_\_\_ (applicant's initials to select) **OPTIONAL PREMIUM RATE GUARANTEE RIDER:** We guarantee that the premium rate for each covered person will not increase prior to the expiration of **3 years** following the effective date of this rider. After the expiration of the 3-year period, each covered person's premium rate will be subject to increases under the Policy's provisions.

**9. EXCLUSIONS:** The Policy does not cover any loss caused or contributed to by: (a) Injury or Sickness sustained while serving in the armed forces of any country or international authority at war, whether war is declared or not (we will return the pro-rata premium for any period not covered by the Policy while you are in such service); (b) suicide or attempted suicide, while sane or insane, or any intentionally self-inflicted injury; (c) drug abuse, drug overdose or drug addiction; (d) intoxication, alcoholism or alcohol related illnesses; (e) mental illness, nervous or emotional disorders; (f) Injury or Sickness covered by any worker's compensation act, occupational diseases law or any motor vehicle no-fault law; (g) dental care or treatment, except that excluded dental care or treatment shall not include (1) reconstructive surgery when such service is incidental to trauma or (2) treatment of accidental Injury to whole natural teeth received within six months following an accident; (h) cosmetic or elective surgery (including surgery to correct

(continued on reverse side)

myopia, hyperopia, presbyopia or astigmatism and surgery for weight loss or modification), except that excluded cosmetic surgery shall not include (1) reconstructive surgery when service is incidental to or follows surgery resulting from trauma, infection or other disease of the involved part, (2) reconstructive surgery because of congenital disease or anomaly of an insured dependent child which has resulted in a functional defect of (3) breast reconstruction in connection with mastectomy, including reconstructive surgery on a nondiseased breast to establish symmetry with a diseased breast on which reconstructive surgery has been performed; (i) pregnancy or conditions due to pregnancy, except that complications of pregnancy shall be covered as any other Sickness; (j) childbirth; (k) participation in a felony or attempted felony, riot or insurrection; (l) rest cures, custodial care, and routine physical examinations; (m) surgical sterilization; (n) foot care in connection with corns, calluses, flat feet, fallen arches, weak feet, chronic foot strain or symptomatic complaints of the feet; (o) eye glasses, hearing aids and examination for the prescription or fitting thereof.

**10. PRE-EXISTING CONDITIONS LIMITATION:** Pre-Existing Conditions are not covered under the Policy until the Policy has been in force for a period of two years; provided, however, that no benefits whatsoever will be payable for loss from any condition, either pre-existing or otherwise, which is completely excluded from coverage under the Policy by name or specific description on the date of loss. "Pre-existing condition" means a condition which has been diagnosed, or has manifested itself to you within the five-year period immediately preceding the Effective Date of the Policy by a symptom or symptoms, whether the specific condition has been medically diagnosed or not, and causes loss within the two-year period following the Effective Date of the Policy.

Coverage for some pre-existing conditions may be included after 12 months for an additional premium payable during the lifetime of your Policy by attachment of the PEB-3 (7/89) endorsement.

**11.** \_\_\_\_\_ (applicant's initials to select) **EXISTING CONDITION BENEFIT ENDORSEMENT PEB-3 (7/89):** Pre-Existing Conditions disclosed on the application and listed on Endorsement Form PEB-3 (7/89) will be covered after 12 months.

**12. TERMINATION:** Subject to the Policy's Grace Period provision, coverage will immediately terminate at 12:01 A.M., Standard Time, at the place where the Insured resides, on the date of any premium which is not paid. Additionally, a child's coverage will terminate as provided in the Policy's Coverage for Spouse and Dependent Children provision.

**13. RENEWABILITY:** Subject to the Policy's Termination provision, the Policy is **guaranteed renewable** at your option. We reserve the right to change premiums in accordance with the Policy's Premium Payments provision.

**14. PREMIUM PAYMENTS/PREMIUMS SUBJECT TO CHANGE:**

- (a) You have a grace period of 31 days for the payment of each premium which becomes due after the first premium. During this grace period the Policy will continue in force.
- (b) Premiums are subject to change. Premiums are based on the attained age of each Covered Person, and each Covered Person's premium may increase following his/her birthday. Premiums may also increase at any time due to the Company changing its table of rates applicable on a class basis in your state. Classes may be determined according to sex, attained age, smoking status and state of residence. We will give you 31 days notice before any such premium change.

THIS IS A LIMITED POLICY. IT ONLY PROVIDES A FIXED DAILY BENEFIT FOR HOSPITAL CONFINEMENT AND ANY ADDITIONAL BENEFIT DESCRIBED ABOVE THAT YOU HAVE SELECTED.

READ THE POLICY CAREFULLY WITH THIS OUTLINE OF COVERAGE.

**THE SOLICITING AGENT SIGNING BELOW DOES NOT HAVE THE AUTHORITY TO BIND THE COMPANY OR TO WAIVE, CHANGE OR AMEND ANY TERM OR CONDITION OF A POLICY WHICH MAY BE ISSUED BY THE COMPANY.**

**The undersigned applicant hereby acknowledges receipt of a copy of this Outline of Coverage.**

Dated this \_\_\_\_\_ day of \_\_\_\_\_, year \_\_\_\_\_. Signed at \_\_\_\_\_

State of \_\_\_\_\_.

\_\_\_\_\_  
Agent's Signature

\_\_\_\_\_  
Applicant's Signature

[This Outline of Coverage is to be delivered to the applicant at the time the application for insurance is completed.]

Hospital Confinement Indemnity Policy Form HDI is individually underwritten by Reserve National Insurance Company.

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 TOI: H14I Individual Health - Hospital Indemnity Sub-TOI: H14I.000 Health - Hospital Indemnity  
 Product Name: HDI-AMB Ambulance Benefit Rider  
 Project Name/Number: HDI-AMB Ambulance Benefit Rider/

## Rate/Rule Schedule

| Schedule Item Status:         | Document Name:        | Affected Form Numbers:<br>(Separated with commas) | Rate Action: | Rate Action Information: | Attachments                         |
|-------------------------------|-----------------------|---|--------------|--------------------------|-------------------------------------|
| Approved-Closed<br>05/11/2009 | Exhibit 1 Rate Sheets | HDI-AMB   | New          |                          | Exhibit I (HDI-AMB rate sheets).pdf |

**EXHIBIT I**  
 Reserve National Insurance Company, NAIC# 68462  
 Policy Rider Form HDI-AMB  
 Attained Age Monthly Premium

| Attained<br>Age | Ambulance Rider<br>Form HDI-AMB |
|-----------------|---------------------------------|
| 0-17            | 3.45                            |
| 18-25           | 6.45                            |
| 26              | 7.10                            |
| 27              | 7.10                            |
| 28              | 7.10                            |
| 29              | 7.10                            |
| 30              | 7.10                            |
| 31              | 7.10                            |
| 32              | 7.10                            |
| 33              | 7.10                            |
| 34              | 7.10                            |
| 35              | 7.10                            |
| 36              | 7.10                            |
| 37              | 7.10                            |
| 38              | 7.10                            |
| 39              | 7.10                            |
| 40              | 7.10                            |
| 41              | 7.10                            |
| 42              | 7.10                            |
| 43              | 7.10                            |
| 44              | 7.10                            |
| 45              | 8.40                            |
| 46              | 8.40                            |
| 47              | 8.40                            |
| 48              | 8.40                            |
| 49              | 8.40                            |
| 50              | 8.40                            |
| 51              | 8.40                            |
| 52              | 8.40                            |
| 53              | 8.40                            |
| 54              | 8.40                            |
| 55              | 8.40                            |
| 56              | 8.40                            |
| 57              | 8.40                            |
| 58              | 8.40                            |
| 59              | 8.40                            |
| 60              | 8.40                            |
| 61              | 8.40                            |
| 62              | 8.40                            |
| 63              | 8.40                            |
| 64              | 8.40                            |
| 65              | 13.40                           |
| 66              | 13.40                           |
| 67              | 13.40                           |
| 68              | 13.40                           |
| 69              | 13.40                           |
| 70              | 13.40                           |
| 71              | 13.40                           |
| 72              | 13.40                           |
| 73              | 13.40                           |
| 74              | 13.40                           |
| 75              | 69.35                           |
| 76              | 69.35                           |
| 77              | 69.35                           |
| 78              | 69.35                           |
| 79              | 69.35                           |
| 80              | 69.35                           |
| 81              | 69.35                           |
| 82              | 69.35                           |
| 83              | 69.35                           |
| 84              | 69.35                           |
| 85+             | 69.35                           |

Monthly Bank Draft = Monthly Rate x .92  
 Semi-Annual Rate = Monthly Rate x 5.82

Quarterly Rate = Monthly Rate x 2.94  
 Annual Rate = Monthly Rate x 11.04

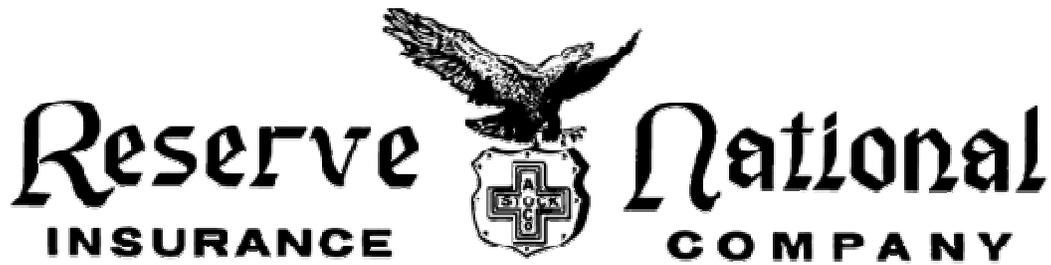
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## Supporting Document Schedules

|   | <b>Item Status:</b> | <b>Status<br/>Date:</b> |
|---|---------------------|-------------------------|
| <b>Satisfied - Item:</b> Flesch Certification | Approved-Closed     | 05/11/2009              |
| <b>Comments:</b>                              |                     |                         |
| <b>Attachment:</b><br>HDI-AMB Readability.pdf |                     |                         |

|                                       | <b>Item Status:</b> | <b>Status<br/>Date:</b> |
|---------------------------------------|---------------------|-------------------------|
| <b>Bypassed - Item:</b> Application   | Approved-Closed     | 05/11/2009              |
| <b>Bypass Reason:</b> Not applicable. |                     |                         |
| <b>Comments:</b>                      |                     |                         |

|  | <b>Item Status:</b> | <b>Status<br/>Date:</b> |
|--|---------------------|-------------------------|
| <b>Satisfied - Item:</b> Outline of Coverage                                       | Approved-Closed     | 05/11/2009              |
| <b>Comments:</b><br>The outline of coverage is also attached to the Form Schedule. |                     |                         |
| <b>Attachment:</b><br>OC HDI AR 0409.pdf   |                     |                         |



6100 NORTHWEST GRAND BLVD  
OKLAHOMA CITY, OKLAHOMA 73118-1082

## READABILITY CERTIFICATION

FORM NUMBER: **Form HDI-AMB- Ambulance Benefit Rider**

The words, sentences, and syllables of Form HDI-AMB were counted to be used in the Flesch Readability Formula in order to determine the readability score of the form. Formal names, medical terms and words defined (implicitly or explicitly) in the policy/rider/endorsement were not counted.

|            |     |
|------------|-----|
| WORDS:     | 127 |
| SENTENCES: | 7   |
| SYLLABLES: | 172 |

This resulted in a Flesch Readability score of 73.872

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KYLE D. CONRAD  
Senior Vice President  
and Associate Corporate Counsel



6100 NORTHWEST GRAND BLVD. - OKLAHOMA CITY, OKLAHOMA 73118-1082

**HOSPITAL CONFINEMENT INDEMNITY POLICY**  
**THIS POLICY PROVIDES FIXED INDEMNITY BENEFITS WHICH**  
**ARE SUPPLEMENTAL AND ARE NOT INTENDED TO COVER**  
**ALL MEDICAL EXPENSES**  
**OUTLINE OF COVERAGE**

Reserve National Insurance Company is hereinafter referred to as "we," "us" or "our." The individual(s) covered under the Policy are referred to as "you," "your" or "Covered Person."

**1. Read Your Policy Carefully** - This outline of coverage provides a very brief description of the important features of Hospital Confinement Indemnity Policy Form HDI. This is not the insurance contract and only the actual Policy provisions will control. The Policy itself sets forth in detail the rights and obligations of both you and Reserve National Insurance Company. It is therefore important that you **Read Your Policy Carefully!**

**2. Hospital Confinement Indemnity Coverage** is designed to provide coverage in the form of a fixed daily benefit during periods of hospitalization resulting from a covered Injury or Sickness, subject to all the Policy's conditions, limitations and exclusions. Coverage is not provided for any benefits other than (a) the fixed daily indemnity for hospital confinement and (b) any additional benefit described below that you have selected. **THIS IS A LIMITED POLICY. THIS POLICY IS DESIGNED TO SUPPLEMENT, NOT REPLACE, EXISTING HOSPITALIZATION AND MEDICAL COVERAGE.**

**3. BENEFIT FOR HOSPITAL CONFINEMENT:** If a Covered Person is confined in a Hospital as a resident inpatient as a result of an Injury or Sickness, we will pay the following Benefit for Hospital Confinement for each day of confinement, beginning with the first day, **limited to the Maximum Hospital Confinement Benefit Period of 31 days for each Policy Year:**

a) **For the first 10 full days of Hospital confinement:** \$ \_\_\_\_\_ **per day**

b) **For the next 21 full days of Hospital confinement:** \$ \_\_\_\_\_ **per day**

A "day" is a 24-hour period. No benefit is payable for a partial day of Hospital confinement.

4. \_\_\_\_\_ (applicant's initials to select) **OPTIONAL BENEFIT FOR INPATIENT DOCTOR VISITS:** If a Covered Person is confined in a Hospital as a resident inpatient as a result of an Injury or Sickness, we will pay the Benefit for Inpatient Doctor Visits in the.. amount of \$50.00 for each day the Benefit for Hospital Confinement is payable for such confinement and the confined Covered Person receives personal treatment by a Physician. Each Covered Person is limited to one Benefit for Inpatient Doctor Visits for each day he/she receives personal treatment by one or more Physicians while confined in a Hospital, but not to exceed the number of days the Benefit for Hospital Confinement is payable in a Policy Year.

5. \_\_\_\_\_ (applicant's initials to select) **OPTIONAL BENEFIT FOR ACCIDENTAL DEATH/DISEMBLEMENT:** If a Covered Person sustains an accidental bodily Injury which, within 90 days of such accident, results in his/her death or loss of sight or dismemberment of his/her hands or feet, we will pay benefits scheduled in the Policy ranging from \$1,000.00 for the loss of one limb to \$5,000.00 for accidental death.

6. \_\_\_\_\_ (applicant's initials to select) **OPTIONAL SURGEON'S EXPENSE RIDER:** If a Covered Person has a surgical operation as a result of an Injury or Sickness, we will pay **20%** of the expense incurred for the primary surgeon who performs the operation, limited to a **maximum benefit of \$5,000.00 for all surgical operations performed in a Policy Year.** Hospital confinement is not required for this benefit to be payable.

7. \_\_\_\_\_ (applicant's initials to select) **OPTIONAL AMBULANCE BENEFIT RIDER:** If a Covered Person is transported to or from a Hospital as a result of an Injury or Sickness, we will pay the applicable benefit as follows:

(a) **Air Ambulance:** We will pay **\$5,000.00** for air transportation by a licensed ambulance service, limited to **two air ambulance trips per Policy Year.**

(b) **Ground Ambulance:** We will pay **\$600.00** for ground transportation by a licensed ambulance service, limited to **four ground ambulance trips per Policy Year.**

Benefits under this Rider will not be payable for any ambulance trip that is taken for the purpose of convenience.

8. \_\_\_\_\_ (applicant's initials to select) **OPTIONAL PREMIUM RATE GUARANTEE RIDER:** We guarantee that the premium rate for each covered person will not increase prior to the expiration of **3 years** following the effective date of this rider. After the expiration of the 3-year period, each covered person's premium rate will be subject to increases under the Policy's provisions.

**9. EXCLUSIONS:** The Policy does not cover any loss caused or contributed to by: (a) Injury or Sickness sustained while serving in the armed forces of any country or international authority at war, whether war is declared or not (we will return the pro-rata premium for any period not covered by the Policy while you are in such service); (b) suicide or attempted suicide, while sane or insane, or any intentionally self-inflicted injury; (c) drug abuse, drug overdose or drug addiction; (d) intoxication, alcoholism or alcohol related illnesses; (e) mental illness, nervous or emotional disorders; (f) Injury or Sickness covered by any worker's compensation act, occupational diseases law or any motor vehicle no-fault law; (g) dental care or treatment, except that excluded dental care or treatment shall not include (1) reconstructive surgery when such service is incidental to trauma or (2) treatment of accidental Injury to whole natural teeth received within six months following an accident; (h) cosmetic or elective surgery (including surgery to correct

(continued on reverse side)

myopia, hyperopia, presbyopia or astigmatism and surgery for weight loss or modification), except that excluded cosmetic surgery shall not include (1) reconstructive surgery when service is incidental to or follows surgery resulting from trauma, infection or other disease of the involved part, (2) reconstructive surgery because of congenital disease or anomaly of an insured dependent child which has resulted in a functional defect of (3) breast reconstruction in connection with mastectomy, including reconstructive surgery on a nondiseased breast to establish symmetry with a diseased breast on which reconstructive surgery has been performed; (i) pregnancy or conditions due to pregnancy, except that complications of pregnancy shall be covered as any other Sickness; (j) childbirth; (k) participation in a felony or attempted felony, riot or insurrection; (l) rest cures, custodial care, and routine physical examinations; (m) surgical sterilization; (n) foot care in connection with corns, calluses, flat feet, fallen arches, weak feet, chronic foot strain or symptomatic complaints of the feet; (o) eye glasses, hearing aids and examination for the prescription or fitting thereof.

**10. PRE-EXISTING CONDITIONS LIMITATION:** Pre-Existing Conditions are not covered under the Policy until the Policy has been in force for a period of two years; provided, however, that no benefits whatsoever will be payable for loss from any condition, either pre-existing or otherwise, which is completely excluded from coverage under the Policy by name or specific description on the date of loss. "Pre-existing condition" means a condition which has been diagnosed, or has manifested itself to you within the five-year period immediately preceding the Effective Date of the Policy by a symptom or symptoms, whether the specific condition has been medically diagnosed or not, and causes loss within the two-year period following the Effective Date of the Policy.

Coverage for some pre-existing conditions may be included after 12 months for an additional premium payable during the lifetime of your Policy by attachment of the PEB-3 (7/89) endorsement.

**11.** \_\_\_\_\_ (applicant's initials to select) **EXISTING CONDITION BENEFIT ENDORSEMENT PEB-3 (7/89):** Pre-Existing Conditions disclosed on the application and listed on Endorsement Form PEB-3 (7/89) will be covered after 12 months.

**12. TERMINATION:** Subject to the Policy's Grace Period provision, coverage will immediately terminate at 12:01 A.M., Standard Time, at the place where the Insured resides, on the date of any premium which is not paid. Additionally, a child's coverage will terminate as provided in the Policy's Coverage for Spouse and Dependent Children provision.

**13. RENEWABILITY:** Subject to the Policy's Termination provision, the Policy is **guaranteed renewable** at your option. We reserve the right to change premiums in accordance with the Policy's Premium Payments provision.

**14. PREMIUM PAYMENTS/PREMIUMS SUBJECT TO CHANGE:**

- (a) You have a grace period of 31 days for the payment of each premium which becomes due after the first premium. During this grace period the Policy will continue in force.
- (b) Premiums are subject to change. Premiums are based on the attained age of each Covered Person, and each Covered Person's premium may increase following his/her birthday. Premiums may also increase at any time due to the Company changing its table of rates applicable on a class basis in your state. Classes may be determined according to sex, attained age, smoking status and state of residence. We will give you 31 days notice before any such premium change.

THIS IS A LIMITED POLICY. IT ONLY PROVIDES A FIXED DAILY BENEFIT FOR HOSPITAL CONFINEMENT AND ANY ADDITIONAL BENEFIT DESCRIBED ABOVE THAT YOU HAVE SELECTED.

READ THE POLICY CAREFULLY WITH THIS OUTLINE OF COVERAGE.

**THE SOLICITING AGENT SIGNING BELOW DOES NOT HAVE THE AUTHORITY TO BIND THE COMPANY OR TO WAIVE, CHANGE OR AMEND ANY TERM OR CONDITION OF A POLICY WHICH MAY BE ISSUED BY THE COMPANY.**

**The undersigned applicant hereby acknowledges receipt of a copy of this Outline of Coverage.**

Dated this \_\_\_\_\_ day of \_\_\_\_\_, year \_\_\_\_\_. Signed at \_\_\_\_\_

State of \_\_\_\_\_.

\_\_\_\_\_  
Agent's Signature

\_\_\_\_\_  
Applicant's Signature

[This Outline of Coverage is to be delivered to the applicant at the time the application for insurance is completed.]

Hospital Confinement Indemnity Policy Form HDI is individually underwritten by Reserve National Insurance Company.