

<i>SERFF Tracking Number:</i>	<i>AMLC-126370833</i>	<i>State:</i>	<i>Arkansas</i>
<i>Filing Company:</i>	<i>Liberty National Life Insurance Company</i>	<i>State Tracking Number:</i>	<i>43976</i>
<i>Company Tracking Number:</i>	<i>LMSA10, ET. AL.</i>		
<i>TOI:</i>	<i>MS08I Individual Medicare Supplement - Standard Plans 2010</i>	<i>Sub-TOI:</i>	<i>MS08I.001 Plan A 2010</i>
<i>Product Name:</i>	<i>Medicare Supplement Policy Form</i>		
<i>Project Name/Number:</i>	<i>LMSA10, et. al./LMSA10, et. al</i>		

## Filing at a Glance

Company: Liberty National Life Insurance Company

Product Name: Medicare Supplement Policy Form    SERFF Tr Num: AMLC-126370833    State: Arkansas

TOI: MS08I Individual Medicare Supplement - Standard Plans 2010    SERFF Status: Closed-Approved-Closed    State Tr Num: 43976

Sub-TOI: MS08I.001 Plan A 2010    Co Tr Num: LMSA10, ET. AL.    State Status: Approved-Closed

Filing Type: Form    Author: Phylis Ballard    Reviewer(s): Stephanie Fowler  
 Date Submitted: 11/04/2009    Disposition Date: 01/13/2010  
 Disposition Status: Approved-Closed

Implementation Date Requested: On Approval    Implementation Date: 06/01/2010

State Filing Description:

## General Information

Project Name: LMSA10, et. al.  
 Project Number: LMSA10, et. al  
 Requested Filing Mode: Review & Approval

Explanation for Combination/Other:  
 Submission Type: New Submission  
 Overall Rate Impact:  
 Filing Status Changed: 01/13/2010

Deemer Date:  
 Submitted By: Phylis Ballard

Filing Description:  
 NAIC #290-65331

RE: Medicare Supplement Policy Forms LMSA10, LMSB10, LMSF10, LMSHDF10 and LDMSB10  
 Outline of Coverage Forms DS-LMS2009(03) and DS-LDMS2010(03)  
 Actuarial Memorandums

Status of Filing in Domicile: Pending  
 Date Approved in Domicile:  
 Domicile Status Comments: Filed in Nebraska, our state of domicile on November 3, 2009.  
 Market Type: Individual  
 Group Market Size:  
 Group Market Type:  
 Explanation for Other Group Market Type:  
 State Status Changed: 01/13/2010  
 Created By: Phylis Ballard  
 Corresponding Filing Tracking Number:  
 LMSA10, et. al.

SERFF Tracking Number: AMLC-126370833 State: Arkansas  
Filing Company: Liberty National Life Insurance Company State Tracking Number: 43976  
Company Tracking Number: LMSA10, ET. AL.  
TOI: MS08I Individual Medicare Supplement - Sub-TOI: MS08I.001 Plan A 2010  
Standard Plans 2010  
Product Name: Medicare Supplement Policy Form  
Project Name/Number: LMSA10, et. al./LMSA10, et. al

Enclosed for your review and approval are copies of the subject Medicare Supplement Policies and related forms.

These forms have been revised to comply with the requirements set forth by the MMA regarding Medicare Supplement insurance effective June 1, 2010.

The rates will be the same as the current approved rates for the 1990 Medicare Supplement Plans LMSA06, LMSB06, LMSF06, LMSHDF06 and LDMSB06. Any future rate revisions for each plan will be based on the combined experience of the 1990 plan and the 2010 plan. The outline of coverage reflects the current approved rates which are subject to change as rates are updated.

Your early review and approval of this filing would be greatly appreciated. If you have any questions, please feel free to contact me collect at (972) 569-3748, or by e-mail at pballard@torchmarkcorp.com.

Sincerely,

Phylis Ballard  
Regulatory Compliance

## Company and Contact

### Filing Contact Information

Phylis Ballard, Compliance Analyst  
3700 S. Stonebridge Drive  
McKinney, TX 75070  
pballard@torchmarkcorp.com  
972-569-3748 [Phone]  
972-569-3728 [FAX]

### Filing Company Information

Liberty National Life Insurance Company  
2001 Third Avenue South  
Birmingham, AL 35233  
(800) 288-2722 ext. 2912[Phone]  
CoCode: 65331  
Group Code: 290  
Group Name: Liberty National Life  
FEIN Number: 63-0124600  
State of Domicile: Nebraska  
Company Type: Life and Health  
State ID Number:

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## Filing Fees

Fee Required? Yes  
Fee Amount: \$350.00  
Retaliatory? No

SERFF Tracking Number: AMLC-126370833 State: Arkansas  
Filing Company: Liberty National Life Insurance Company State Tracking Number: 43976  
Company Tracking Number: LMSA10, ET. AL.  
TOI: MS081 Individual Medicare Supplement - Sub-TOI: MS081.001 Plan A 2010  
Standard Plans 2010  
Product Name: Medicare Supplement Policy Form  
Project Name/Number: LMSA10, et. al./LMSA10, et. al  
Fee Explanation: 5 policy forms x 50 = 250.00  
2 outlines x 50 = 100.00  
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
Liberty National Life Insurance Company	\$350.00	11/04/2009	31786579

SERFF Tracking Number: AMLC-126370833 State: Arkansas  
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 TOI: MS08I Individual Medicare Supplement - Sub-TOI: MS08I.001 Plan A 2010  
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 Product Name: Medicare Supplement Policy Form  
 Project Name/Number: LMSA10, et. al./LMSA10, et. al

## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved-Closed	Stephanie Fowler	01/13/2010	01/13/2010

### Objection Letters and Response Letters

Objection Letters				Response Letters		
Status	Created By	Created On	Date Submitted	Responded By	Created On	Date Submitted
Pending Industry Response	Stephanie Fowler	01/04/2010	01/04/2010	Phylis Ballard	01/07/2010	01/07/2010
Pending Industry Response	Stephanie Fowler	12/17/2009	12/17/2009	Phylis Ballard	12/30/2009	12/30/2009



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 TOI: MS08I Individual Medicare Supplement - Sub-TOI: MS08I.001 Plan A 2010  
 Standard Plans 2010  
 Product Name: Medicare Supplement Policy Form  
 Project Name/Number: LMSA10, et. al./LMSA10, et. al

Schedule	Schedule Item	Schedule Item Status	Public Access
<b>Supporting Document</b>	Flesch Certification	Accepted for Informational Purposes	Yes
<b>Supporting Document</b>	Application	Approved	Yes
<b>Supporting Document (revised)</b>	Health - Actuarial Justification	Accepted for Informational Purposes	No
<b>Supporting Document</b>	Health - Actuarial Justification	Replaced	No
<b>Supporting Document (revised)</b>	Outline of Coverage	Approved	Yes
<b>Supporting Document</b>	Outline of Coverage	Replaced	Yes
<b>Supporting Document</b>	Outline of Coverage	Replaced	Yes
<b>Form (revised)</b>	Medicare Supplement Policy	Approved	Yes
<b>Form</b>	Medicare Supplement Policy	Replaced	Yes
<b>Form (revised)</b>	Medicare Supplement Policy	Approved	Yes
<b>Form</b>	Medicare Supplement Policy	Replaced	Yes
<b>Form (revised)</b>	Medicare Supplement Policy	Approved	Yes
<b>Form</b>	Medicare Supplement Policy	Replaced	Yes
<b>Form</b>	Medicare Supplement Policy	Approved	Yes
<b>Form</b>	Medicare Supplement Policy	Approved	Yes

SERFF Tracking Number: AMLC-126370833 State: Arkansas  
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Company Tracking Number: LMSA10, ET. AL.  
TOI: MS08I Individual Medicare Supplement - Sub-TOI: MS08I.001 Plan A 2010  
Standard Plans 2010  
Product Name: Medicare Supplement Policy Form  
Project Name/Number: LMSA10, et. al./LMSA10, et. al

## Objection Letter

Objection Letter Status Pending Industry Response  
Objection Letter Date 01/04/2010  
Submitted Date 01/04/2010  
Respond By Date 02/04/2010

Dear Phylis Ballard,

This will acknowledge receipt of the captioned filing.

### Objection 1

- Outline of Coverage (Supporting Document)

Comment: It was not my intention for the entire "Premium Information" section to be removed. Please add the following language to both outlines of coverage:

**PREMIUM INFORMATION [Boldface Type]**

We, Liberty National Life Insurance Company, can only raise your premium for all policies like yours in this State.

Please feel free to contact me if you have questions.

Sincerely,  
Stephanie Fowler

## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 01/07/2010  
Submitted Date 01/07/2010

Dear Stephanie Fowler,

### Comments:

This is in response to your serff objection dated January 4, 2010. I'm sorry I misunderstood your objection.

### Response 1

Comments: Attached are the revised Outlines of Coverage.

### Related Objection 1

SERFF Tracking Number: AMLC-126370833 State: Arkansas  
Filing Company: Liberty National Life Insurance Company State Tracking Number: 43976  
Company Tracking Number: LMSA10, ET. AL.  
TOI: MS08I Individual Medicare Supplement - Sub-TOI: MS08I.001 Plan A 2010  
Standard Plans 2010  
Product Name: Medicare Supplement Policy Form  
Project Name/Number: LMSA10, et. al./LMSA10, et. al

Applies To:

- Outline of Coverage (Supporting Document)

Comment:

It was not my intention for the entire "Premium Information" section to be removed. Please add the following language to both outlines of coverage:

PREMIUM INFORMATION [Boldface Type]

We, Liberty National Life Insurance Company, can only raise your premium for all policies like yours in this State.

**Changed Items:**

**Supporting Document Schedule Item Changes**

Satisfied -Name: Outline of Coverage

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

If you have any questions, please let me know.

Sincerely,

Phylis Ballard

SERFF Tracking Number: AMLC-126370833 State: Arkansas  
Filing Company: Liberty National Life Insurance Company State Tracking Number: 43976  
Company Tracking Number: LMSA10, ET. AL.  
TOI: MS081 Individual Medicare Supplement - Sub-TOI: MS081.001 Plan A 2010  
Standard Plans 2010  
Product Name: Medicare Supplement Policy Form  
Project Name/Number: LMSA10, et. al./LMSA10, et. al

## Objection Letter

Objection Letter Status Pending Industry Response  
Objection Letter Date 12/17/2009  
Submitted Date 12/17/2009  
Respond By Date 01/18/2010

Dear Phylis Ballard,

This will acknowledge receipt of the captioned filing.

### Objection 1

- Medicare Supplement Policy, LMSA10 (Form)
- Medicare Supplement Policy, LMSB10 (Form)
- Medicare Supplement Policy, LMSF10 (Form)

Comment: Page one, third and fourth paragraphs - Premiums can only be increased on the policy's anniversary date, these paragraphs make it sound like the premiums can be raised at any time. Also, AR Code Ann. 23-79-109(a)(4) states, "all Medicare supplement rates shall be based on a composite age basis only, and shall not be based on any age banding or other groupings." Please revise these paragraphs to comply.

### Objection 2

- Health - Actuarial Justification (Supporting Document)

Comment: I understand that the rates will remain the same as the rates for the previous version of these plans, however, I will need a copy of the proposed base monthly rates for this filing.

### Objection 3

- Outline of Coverage (Supporting Document)

Comment: Please remove the second sentence of the "Premium Information" section. This statement does not accurately reflect when the company can increase the rates and can be misleading to the insured.

Please feel free to contact me if you have questions.

Sincerely,

Stephanie Fowler

## Response Letter

Response Letter Status Submitted to State  
Response Letter Date 12/30/2009  
Submitted Date 12/30/2009

SERFF Tracking Number: AMLC-126370833 State: Arkansas  
 Filing Company: Liberty National Life Insurance Company State Tracking Number: 43976  
 Company Tracking Number: LMSA10, ET. AL.  
 TOI: MS08I Individual Medicare Supplement - Sub-TOI: MS08I.001 Plan A 2010  
 Standard Plans 2010  
 Product Name: Medicare Supplement Policy Form  
 Project Name/Number: LMSA10, et. al./LMSA10, et. al

Dear Stephanie Fowler,

**Comments:**

This is in response to your objection letter dated December 17, 2009.

**Response 1**

Comments: Attached are the three policies in question with the paragraphys corrected.

**Related Objection 1**

Applies To:

- Medicare Supplement Policy, LMSA10 (Form)
- Medicare Supplement Policy, LMSB10 (Form)
- Medicare Supplement Policy, LMSF10 (Form)

Comment:

Page one, third and fourth paragraphs - Premiums can only be increased on the policy's anniversary date, these paragraphs make it sound like the premiums can be raised at any time. Also, AR Code Ann. 23-79-109(a)(4) states, "all Medicare supplement rates shall be based on a composite age basis only, and shall not be based on any age banding or other groupings." Please revise these paragraphs to comply.

**Changed Items:**

No Supporting Documents changed.

**Form Schedule Item Changes**

Form Name	Form Number	Edition Date	Form Type	Action	Action Specific Data	Readability Score	Attach Document
Medicare Supplement Policy	LMSA10		Policy/Contract/Fraternal Certificate	Initial		67.870	LMSA10ar.pdf
<b>Previous Version</b>							
<i>Medicare Supplement Policy</i>	<i>LMSA10</i>		<i>Policy/Contract/Fraternal Certificate</i>	<i>Initial</i>		<i>67.870</i>	<i>LMSA10ar.pdf</i>
Medicare Supplement Policy	LMSB10		Policy/Contract/Fraternal Certificate	Initial		56.350	LMSB10ar.pdf
<b>Previous Version</b>							
<i>Medicare Supplement</i>	<i>LMSB10</i>		<i>Policy/Contract/Fraternal</i>	<i>Initial</i>		<i>56.350</i>	<i>LMSB10ar</i>

SERFF Tracking Number: AMLC-126370833 State: Arkansas  
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 TOI: MS08I Individual Medicare Supplement - Sub-TOI: MS08I.001 Plan A 2010  
 Standard Plans 2010  
 Product Name: Medicare Supplement Policy Form  
 Project Name/Number: LMSA10, et. al./LMSA10, et. al

<b>Policy</b>		<b>Certificate</b>			.pdf
Medicare Supplement	LMSF10	Policy/Contract/Fraternal	Initial	60.060	LMSF10ar
Policy		Certificate			.pdf
<b>Previous Version</b>					
Medicare Supplement	LMSF10	Policy/Contract/Fraternal	Initial	60.060	LMSF10ar
Policy		Certificate			.pdf

No Rate/Rule Schedule items changed.

## Response 2

Comments: Attached is the information needed.

### Related Objection 1

Applies To:

- Health - Actuarial Justification (Supporting Document)

Comment:

I understand that the rates will remain the same as the rates for the previous version of these plans, however, I will need a copy of the proposed base monthly rates for this filing.

### Changed Items:

#### Supporting Document Schedule Item Changes

Satisfied -Name: Health - Actuarial Justification

Comment:

No Form Schedule items changed.

No Rate/Rule Schedule items changed.

## Response 3

Comments: Attached are the two Outlines with the corrections.

### Related Objection 1

Applies To:

- Outline of Coverage (Supporting Document)

Comment:

Please remove the second sentence of the "Premium Information" section. This statement does not accurately reflect when the company can increase the rates and can be misleading to the insured.



SERFF Tracking Number: AMLC-126370833 State: Arkansas  
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 Standard Plans 2010  
 Product Name: Medicare Supplement Policy Form  
 Project Name/Number: LMSA10, et. al./LMSA10, et. al

## Form Schedule

### Lead Form Number: LMSA10, et. al.

Schedule Item Status	Form Number	Form Type Form Name	Action	Action Specific Data	Readability	Attachment
Approved 01/13/2010	LMSA10	Policy/Cont Medicare ract/Fratern Supplement Policy al Certificate	Initial		67.870	LMSA10ar.pdf
Approved 01/13/2010	LMSB10	Policy/Cont Medicare ract/Fratern Supplement Policy al Certificate	Initial		56.350	LMSB10ar.pdf
Approved 01/13/2010	LMSF10	Policy/Cont Medicare ract/Fratern Supplement Policy al Certificate	Initial		60.060	LMSF10ar.pdf
Approved 01/13/2010	LMSHDF10	Policy/Cont Medicare ract/Fratern Supplement Policy al Certificate	Initial		57.830	LMSHDF10ar.pdf
Approved 01/13/2010	LDMSB10	Policy/Cont Medicare ract/Fratern Supplement Policy al Certificate	Initial		56.350	LDMSB10ar.pdf

**NOTICE TO BUYER:** This policy may not cover all of Your medical expenses.

**MEDICARE SUPPLEMENT POLICY**

**BENEFIT PLAN A**

**GUARANTEED RENEWABLE FOR LIFE. COMPANY CANNOT CANCEL POLICY.  
COMPANY MAY CHANGE PREMIUM RATES BY CLASS AND AS MEDICARE BENEFITS  
CHANGE AS PROVIDED IN THE GUARANTEED RENEWAL PROVISION.**

**LIBERTY NATIONAL LIFE INSURANCE COMPANY**

**P.O. BOX 8080 \* MCKINNEY, TEXAS 75070 (972) 529-5085**

**A Legal Reserve Stock Company \* Administrative Offices: McKinney, Texas**

**30 DAY RIGHT TO EXAMINE POLICY**

If You are not satisfied with this policy for any reason, return it to Our Administrative Offices or to the agent within 30 days after You receive it. Any premium You paid will be refunded. The policy will be void from the beginning. It will be as if no policy had been issued.

**GUARANTEED RENEWAL PROVISION**

You can renew and continue this policy in force during Your lifetime, for successive renewal terms by paying appropriate renewal premiums before the end of the grace period. The appropriate renewal premiums will be those under Our applicable table of premium rates that is in effect on the respective due dates of such premiums.

We have the right to change the renewal premiums for this policy when We change, and in accordance with, Our table of premium rates applicable to all policies of this form and class. Class is based on year of issue, area of the state in which You resided at issue, and underwriting group at issue for policyholders of this form in Your state. Your premiums may also be increased due to increasing health care costs for all policies in Your class.

The benefits provided by this policy which are designed to cover cost sharing amounts under Medicare will change automatically to coincide with any applicable changes in the deductible and/or Coinsurance amounts which You are required to pay under Medicare. The renewal premiums for this policy may change on the renewal date following the effective date of any such applicable change. Any such premium change will be based on the actuarial computations which We then use to determine the renewal premium.

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**POLICY SCHEDULE**

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<b>INSURED</b>	<b>POLICY NUMBER</b>	<b>EFFECTIVE DATE</b>	<b>INITIAL TERM EXPIRES ON</b>	<b>INITIAL PREMIUM</b>
[John Doe]	[0000000]	[06-01-10]	[06-01-11]	[\$0]

If this policy is a replacement of an existing policy the “PRE-EXISTING CONDITIONS LIMITATIONS PROVISION” does not apply.

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### PRE-EXISTING CONDITIONS LIMITATIONS PROVISION

Loss due to a Pre-Existing Condition is not covered unless the loss is incurred more than 60 days after the policy effective date.

If You have a Pre-Existing Condition and qualify for open enrollment or have had a continuous period of creditable coverage for at least 60 days, We cannot exclude coverage based on the Pre-Existing Condition. If the period of creditable coverage is less than 60 days, We will give credit for the amount of time of creditable coverage You have had towards fulfilling the Pre-Existing Condition exclusion period.

If You are an Eligible Person who applied to enroll under this Medicare supplement policy not later than 63 days after the date of the termination or disenrollment, and who submitted evidence of the date of termination or disenrollment with the application, the Pre-Existing Conditions Limitations Provision will not apply.

### THE INSURING CLAUSE

The Company insures You against specified losses incurred by You. Benefits stated in this policy, subject to all its provisions, limitations and exclusions, will be paid for the losses which are incurred while this policy is in force.

### EXTENDED BENEFIT PROVISION

Termination of the policy shall be without prejudice to any continuous loss which commenced while the policy was in force, but the extension of benefits beyond the period during which the policy was in force may be conditioned upon the continuous total disability of the Insured, limited to the duration of the policy benefit period, if any, or payment of the maximum benefits. Receipt of Medicare Part D benefits will not be considered in determining a continuous loss.

### DEFINITIONS

Where used in this policy:

**BENEFIT PERIOD** means the unit of time used in the Medicare program to measure use of services and availability of services under Medicare Part A hospital insurance.

**CALENDAR YEAR** means the period beginning on each January 1 and ending on the following December 31.

**COINSURANCE AMOUNTS** means the portion of Medicare approved expense You are obligated to pay but not including the Medicare Part A inpatient hospital deductible or Part B Calendar Year deductible.

**CONTINUOUS PERIOD OF CREDITABLE COVERAGE** means the period during which an individual was covered by creditable coverage, if during the period of the coverage the individual had no breaks in coverage greater than sixty-three (63) days.

**CREDITABLE COVERAGE** means coverage of an individual provided by any of the following:

1. A group health plan;
2. Health insurance coverage;
3. Part A or Part B of Title XVIII of the Social Security Act (Medicare);
4. Title XIX of the Social Security Act (Medicaid), other than coverage consisting solely of benefits under Section 1928;
5. Chapter 55 of Title 10 United States Code (CHAMPUS);
6. A medical care program of the Indian Health Service or of a tribal organization;
7. A state health benefits risk pool;
8. A health plan offered under Chapter 89 of Title 5 United States Code (Federal Employees Health Benefits Program);
9. A public health plan as defined in federal regulation; and
10. A health benefit plan under Section 5(e) of the Peace Corps Act (22 United States Code 2504(e)).

**ELIGIBLE PERSON** means a person who submits evidence of the date of termination, disenrollment, or Medicare Part D enrollment as applies under the following plans: (1) Employee Welfare Benefit Plan; (2) Medicare Advantage plan; (3) Medicare Select Plan, Medicare Risk or Cost Plan, or Medicare HMO plan; or (4) Medicare supplement policy.

**HOSPITAL** means a lawfully operated hospital which has been accredited by the Joint Commission on Accreditation of Hospitals.

**HOSPITAL STAY** means one day or more of confinement within a hospital, as a resident patient under the care of a Physician, due to Injury or Sickness.

**INJURY** means accidental bodily injury which is sustained while this policy is in force and includes all injuries resulting from one accident.

**MEDICARE** means the Health Insurance for the Aged Act, Title XVIII of the Social Security Amendments of 1965, as then constituted or later amended.

**MEDICARE ADVANTAGE PLAN** means a plan of coverage for health benefits under Medicare Part C as defined in 42 U.S.C. 1395w-28(b)(1), and includes: (1) Coordinated care plans which provide health care services, including but not limited to health maintenance organization plans (with or without a point-of-service option), plans offered by provider-sponsored organizations, and preferred provider organization plans; (2) Medical savings account plans coupled with a contribution into a Medicare Advantage plan medical savings account; and (3) Medicare Advantage private fee-for-service plans.

**MEDICARE ELIGIBLE EXPENSES** means expenses of the kinds covered by Medicare Parts A and B, to the extent recognized as reasonable and medically necessary by Medicare.

**PHYSICIAN** means a person legally licensed to treat Injury or Sickness, other than You or any member of Your immediate family.

**PRE-EXISTING CONDITION** means an Injury sustained or Sickness first manifesting itself prior to the policy effective date for which medical advice or treatment was recommended or given by a Physician within 6 months prior to the policy effective date.

**SICKNESS** means illness or disease of an insured person which first manifests itself after the effective date of insurance and while this policy is in force.

**WE, US, OUR and COMPANY** mean the Liberty National Life Insurance Company.

**YOU, YOUR, YOURS and INSURED** mean the person whose name is shown in the Policy Schedule.

## **BASIC CORE BENEFITS**

### **PART 1 BENEFITS FOR HOSPITAL STAYS - MEDICARE PART A**

We will pay the following benefits when You have a Hospital Stay for which benefits are paid by Medicare Part A:

- 1) Coverage of Part A Medicare Eligible Expenses for hospitalization to the extent not covered by Medicare from the 61st day through the 90th day in any Medicare benefit period;
- 2) Coverage of Part A Medicare Eligible Expenses incurred for hospitalization to the extent not covered by Medicare for each Medicare lifetime reserve day used; and
- 3) Upon exhaustion of the Medicare hospital inpatient coverage, including the lifetime reserve days, coverage of 100% of the Medicare Part A eligible expenses for hospitalization paid at the applicable prospective payment system (PPS) rate, or other appropriate Medicare standard of payment, subject to a lifetime maximum benefit of an additional 365 days. The provider shall accept the issuer's payment as payment in full and may not bill the insured for any balance.

### **PART 2 MEDICARE BLOOD DEDUCTIBLE BENEFIT**

We will pay the expense You incur for coverage under Medicare Parts A and B for the reasonable cost of the first 3 pints of blood (or equivalent quantities of packed red blood cells, as defined under Federal regulations), unless replaced in accordance with Federal regulations.

### **PART 3 BENEFITS FOR MEDICAL EXPENSE - MEDICARE PART B**

If You incur a medical expense that is eligible under Medicare Part B, We will pay the following benefit for the Medicare approved charge:

Coverage for the coinsurance amount, or in the case of hospital outpatient department services paid under a prospective payment system, the copayment amount, of Medicare Eligible Expenses under Part B regardless of hospital confinement, subject to the Medicare Part B deductible.

Under this PART 3 of this policy, We will not pay benefits for (a) the Medicare Part B blood deductible for which benefits are paid under PART 2 of this policy, or (b) any portion of the Medicare Part B Calendar Year deductible.

### **PART 4 HOSPICE CARE BENEFIT**

We will pay the expense You incur for cost sharing for all Part A Medicare eligible hospice care and respite care expenses.

### **PART 5 LIMITATIONS AND EXCLUSIONS**

We will not pay benefits under this policy for:

- 1) Any expense which You are not legally obligated to pay; or
- 2) Any services that are not medically necessary as determined by Medicare or are not furnished at the direction of and under the supervision of a Physician; or
- 3) Any portion of any expense for which payment is made by Medicare; or
- 4) Custodial or intermediate level care, or rest cures; or
- 5) Any type of expense not eligible for coverage under Medicare.

## POLICY PROVISIONS

**PREMIUM PAYMENT:** This policy is issued based on the application and the payment of the first premium. A copy of the application is a part of this policy. This policy takes effect at 12 o'clock noon, Standard Time of the place where You reside, and remains in effect until the same hour on the date on which the initial term expires.

The effective date of this policy, the first premium and the date the initial term expires are shown in the POLICY SCHEDULE. All premiums, except the first premium, shall be due and payable at Our Administrative Offices.

Upon Your death, We will refund any premiums paid in Your behalf, for any period beyond the ending of the policy month the death occurred, within 30 days after We receive proof of death.

If death is due to Injury and this policy provides for the refund of premiums for death due to Injury, only one benefit will be paid, the largest.

**ENTIRE CONTRACT; CHANGES:** This policy, with the application and attached papers, is the entire contract between You and Us. No change in this policy will be effective until approved by Us. This approval must be noted on or attached to this policy.

No agent may change this policy or waive any of its provisions.

**TIME LIMIT ON CERTAIN DEFENSES:** After 2 years from the effective date, only fraudulent misstatements in the application may be used to void this policy or deny any claim for loss incurred after the 2 year period.

No claim for loss incurred after 60 days from the effective date will be reduced or denied because a Sickness or physical condition had existed before the effective date of this policy.

**GRACE PERIOD:** This policy has a 31 day grace period. This means that if a renewal premium is not paid on or before the date it is due, it may be paid during the following 31 days. During the grace period this policy will stay in force.

**REINSTATEMENT:** If the renewal premium is not paid before the grace period ends, this policy will lapse. Later acceptance of the premium by Us (or by Our agent authorized to accept payment) without requiring an application for reinstatement will reinstate this policy.

If We or Our agent requires an application, this policy will be reinstated when We approve the application, or on the 45th day after We receive it unless We have previously written You of its disapproval.

The reinstated policy will cover only loss that results from an Injury sustained after the date of reinstatement or Sickness that starts more than 10 days after such date. In all other respects Your rights and Our rights will remain the same, subject to any provisions noted on or attached to the reinstated policy.

**SUSPENSION OF COVERAGE WHILE ENTITLED TO MEDICAID:** By written notice to Us, You may request that benefits and premiums for You under this policy be suspended for the period in which You have been determined to be entitled to Medicaid. Written notice must be received by Us within 90 days after the date You become entitled to Medicaid. After We have received such notice, We will return to You any portion of premiums paid for the period of suspension less any claims paid. The suspension period shall not exceed 24 months.

If Your entitlement to Medicaid ends, You must send Us written notice of the loss of such entitlement within 90 days and pay the premium attributable to the period, effective as of the date of termination of entitlement. We will reinstitute Your benefits and premiums under this policy as of the date Your entitlement ended. The reinstated coverage shall be the same as if no suspension has occurred.

**SUSPENSION OF COVERAGE WHILE ENTITLED TO BENEFITS UNDER A GROUP HEALTH PLAN:** By written notice to Us, You may request that benefits and premiums for You under this policy be suspended (for any period that may be provided by federal regulation) if You are entitled to benefits under Section 226(b) of the Social Security Act and are covered under a group health plan (as defined in Section 1862 (b)(1)(A)(v) of the Social Security Act). Written notice must be received by Us within 90 days after the date You become entitled to coverage under the group health plan. After We have received such notice, We will return to You any portion of premiums paid for the period of suspension less any claims paid.

If Your entitlement to coverage under the group health plan ends, You must send Us written notice of the loss of such entitlement within 90 days and pay the premium attributable to the period, effective as of the date of termination of enrollment in the group health plan. We will reinstitute Your benefits and premiums under this policy as of the date Your entitlement ended. The reinstated coverage shall be the same as if no suspension had occurred.

Reinstitution of these coverages: (1) Shall not provide for any waiting period with respect to treatment of Pre-Existing Conditions; (2) Shall provide for resumption of coverage that is substantially equivalent to coverage in effect before the date of suspension; and (3) Shall provide for classification of premiums on terms at least as favorable to the policyholder as the premium classification terms that would have applied to the policyholder had the coverage not been suspended.

**NOTICE OF CLAIM:** Written notice of claim must be given to Us within 20 days after a covered loss starts or as soon as reasonably possible. The notice can be given to Us at Our Administrative Offices in McKinney, Texas or to Our agent.

Notice should include Your name and Your Policy Number.

**CLAIM FORMS:** When We receive the notice of claim, We will send You any required forms for filing proof of loss, if applicable. If these forms are not given to You within 15 days, You will meet the proof of loss requirements by giving Us a written statement of the nature and extent of Your loss.

**PROOF OF LOSS:** You must give written proof of loss to Us within 6 months after the date of such loss. If it was not reasonably possible to give written proof in the time required, We will not reduce or deny the claim for this reason if the proof is filed as soon as reasonably possible. In any event, the proof required must be given no later than 1 year from the time specified unless You were legally incapacitated.

**TIME OF PAYMENT OF CLAIMS:** After receiving written proof of loss, We will pay all benefits then due for such loss.

**PAYMENT OF CLAIMS:** Any benefits unpaid at Your death may be paid, at Our option, either to Your beneficiary or Your estate. All other benefits will be paid to You.

If benefits are payable to Your estate or a beneficiary who cannot execute a valid release, We can pay benefits up to \$1,000.00 to someone related to You or the beneficiary by blood or marriage whom We consider to be entitled to the benefits. We will be discharged to the extent of any such payment made in good faith.

**PHYSICAL EXAMINATIONS:** We, at Our expense, have the right to have You examined as often as reasonably necessary while a claim is pending.

**LEGAL ACTIONS:** No legal action may be brought to recover on this policy within 60 days after written proof of loss has been given as required by this policy. No such action may be brought after 3 years from the time written proof of loss is required to be given.

**CONFORMITY WITH STATE STATUTES:** Any provision of this policy which, on its effective date, is in conflict with the laws of the state in which You reside on that date is amended to conform to the minimum requirements of such laws.

**ASSIGNMENT:** No assignment under this policy shall be binding upon Us unless the original (or a copy of it) is on file at Our Administrative Offices. We do not assume any responsibility for the validity of any assignment.

This policy is signed for Us by Our President and Secretary.

A handwritten signature in cursive, appearing to read "Sara M. [unclear]", is written over a large, diagonal "SPECIMEN" watermark.

Secretary

A handwritten signature in cursive, appearing to be a stylized "A", is written over a large, diagonal "SPECIMEN" watermark.

President

Countersigned:

**IMPORTANT NOTICE**

This notice is to advise You that, should any problems arise concerning this insurance, You may contact the following:

**Consumer Service Department  
Liberty National Life Insurance Company  
P. O. Box 8080  
McKinney, Texas 75070  
Telephone: (972) 529-5085**

**Arkansas Insurance Department  
Consumer Services Division  
1200 West 3<sup>rd</sup> Street  
Little Rock, Arkansas 72201  
Telephone: (800) 852-5494 or  
(501) 371-2640**

**Agent's Name:** \_\_\_\_\_

**Agent's Address:** \_\_\_\_\_

**Telephone:** \_\_\_\_\_

\_\_\_\_\_

**NOTICE TO BUYER: This policy may not cover all of Your medical expenses.**

**MEDICARE SUPPLEMENT POLICY**

**BENEFIT PLAN B**

**GUARANTEED RENEWABLE FOR LIFE. COMPANY CANNOT CANCEL POLICY.  
COMPANY MAY CHANGE PREMIUM RATES BY CLASS AND AS MEDICARE BENEFITS  
CHANGE AS PROVIDED IN THE GUARANTEED RENEWAL PROVISION.**

**LIBERTY NATIONAL LIFE INSURANCE COMPANY**

**P.O. BOX 8080 \* MCKINNEY, TEXAS 75070 (972) 529-5085**

**A Legal Reserve Stock Company \* Administrative Offices: McKinney, Texas**

**30 DAY RIGHT TO EXAMINE POLICY**

**If You are not satisfied with this policy for any reason, return it to Our Administrative Offices or to the agent within 30 days after You receive it. Any premium You paid will be refunded. The policy will be void from the beginning. It will be as if no policy had been issued.**

**GUARANTEED RENEWAL PROVISION**

**You can renew and continue this policy in force during Your lifetime, for successive renewal terms by paying appropriate renewal premiums before the end of the grace period. The appropriate renewal premiums will be those under Our applicable table of premium rates that is in effect on the respective due dates of such premiums.**

**We have the right to change the renewal premiums for this policy when We change, and in accordance with, Our table of premium rates applicable to all policies of this form and class. Class is based on year of issue, area of the state in which You resided at issue, and underwriting group at issue for policyholders of this form in Your state. Your premiums may also be increased due to increasing health care costs for all policies in Your class.**

**The benefits provided by this policy which are designed to cover cost sharing amounts under Medicare will change automatically to coincide with any applicable changes in the deductible and/or Coinsurance amounts which You are required to pay under Medicare. The renewal premiums for this policy may change on the renewal date following the effective date of any such applicable change. Any such premium change will be based on the actuarial computations which We then use to determine the renewal premium.**

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**POLICY SCHEDULE**

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<b>INSURED</b>	<b>POLICY NUMBER</b>	<b>EFFECTIVE DATE</b>	<b>INITIAL TERM EXPIRES ON</b>	<b>INITIAL PREMIUM</b>
[John Doe]	[0000000]	[06-01-10]	[06-01-11]	[\$0]

**If this policy is a replacement of an existing policy the “PRE-EXISTING CONDITIONS LIMITATIONS PROVISION” does not apply.**

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### PRE-EXISTING CONDITIONS LIMITATIONS PROVISION

Loss due to a Pre-Existing Condition is not covered unless the loss is incurred more than 60 days after the policy effective date.

If You have a Pre-Existing Condition and qualify for open enrollment or have had a continuous period of creditable coverage for at least 60 days, We cannot exclude coverage based on the Pre-Existing Condition. If the period of creditable coverage is less than 60 days, We will give credit for the amount of time of creditable coverage You have had towards fulfilling the Pre-Existing Condition exclusion period.

If You are an Eligible Person who applied to enroll under this Medicare supplement policy not later than 63 days after the date of the termination or disenrollment, and who submitted evidence of the date of termination or disenrollment with the application, the Pre-Existing Conditions Limitations Provision will not apply.

### THE INSURING CLAUSE

The Company insures You against specified losses incurred by You. Benefits stated in this policy, subject to all its provisions, limitations and exclusions, will be paid for the losses which are incurred while this policy is in force.

### EXTENDED BENEFIT PROVISION

Termination of the policy shall be without prejudice to any continuous loss which commenced while the policy was in force, but the extension of benefits beyond the period during which the policy was in force may be conditioned upon the continuous total disability of the Insured, limited to the duration of the policy benefit period, if any, or payment of the maximum benefits. Receipt of Medicare Part D benefits will not be considered in determining a continuous loss.

### DEFINITIONS

Where used in this policy:

**BENEFIT PERIOD** means the unit of time used in the Medicare program to measure use of services and availability of services under Medicare Part A hospital insurance.

**CALENDAR YEAR** means the period beginning on each January 1 and ending on the following December 31.

**COINSURANCE AMOUNTS** means the portion of Medicare approved expense You are obligated to pay but not including the Medicare Part A inpatient hospital deductible or Part B Calendar Year deductible.

**CONTINUOUS PERIOD OF CREDITABLE COVERAGE** means the period during which an individual was covered by creditable coverage, if during the period of the coverage the individual had no breaks in coverage greater than sixty-three (63) days.

**CREDITABLE COVERAGE** means coverage of an individual provided by any of the following:

1. A group health plan;
2. Health insurance coverage;
3. Part A or Part B of Title XVIII of the Social Security Act (Medicare);
4. Title XIX of the Social Security Act (Medicaid), other than coverage consisting solely of benefits under Section 1928;
5. Chapter 55 of Title 10 United States Code (CHAMPUS);
6. A medical care program of the Indian Health Service or of a tribal organization;
7. A state health benefits risk pool;
8. A health plan offered under Chapter 89 of Title 5 United States Code (Federal Employees Health Benefits Program);
9. A public health plan as defined in federal regulation; and
10. A health benefit plan under Section 5(e) of the Peace Corps Act (22 United States Code 2504(e)).

**ELIGIBLE PERSON** means a person who submits evidence of the date of termination, disenrollment, or Medicare Part D enrollment as applies under the following plans: (1) Employee Welfare Benefit Plan; (2) Medicare Advantage plan; (3) Medicare Select Plan, Medicare Risk or Cost Plan, or Medicare HMO plan; or (4) Medicare supplement policy.

**HOSPITAL** means a lawfully operated hospital which has been accredited by the Joint Commission on Accreditation of Hospitals.

**HOSPITAL STAY** means one day or more of confinement within a hospital, as a resident patient under the care of a Physician, due to Injury or Sickness.

**INJURY** means accidental bodily injury which is sustained while this policy is in force and includes all injuries resulting from one accident.

**MEDICARE** means the Health Insurance for the Aged Act, Title XVIII of the Social Security Amendments of 1965, as then constituted or later amended.

**MEDICARE ADVANTAGE PLAN** means a plan of coverage for health benefits under Medicare Part C as defined in 42 U.S.C. 1395w-28(b)(1), and includes: (1) Coordinated care plans which provide health care services, including but not limited to health maintenance organization plans (with or without a point-of-service option), plans offered by provider-sponsored organizations, and preferred provider organization plans; (2) Medical savings account plans coupled with a contribution into a Medicare Advantage plan medical savings account; and (3) Medicare Advantage private fee-for-service plans.

**MEDICARE ELIGIBLE EXPENSES** means expenses of the kinds covered by Medicare Parts A and B, to the extent recognized as reasonable and medically necessary by Medicare.

**PHYSICIAN** means a person legally licensed to treat Injury or Sickness, other than You or any member of Your immediate family.

**PRE-EXISTING CONDITION** means an Injury sustained or Sickness first manifesting itself prior to the policy effective date for which medical advice or treatment was recommended or given by a Physician within 6 months prior to the policy effective date.

**SICKNESS** means illness or disease of an insured person which first manifests itself after the effective date of insurance and while this policy is in force.

**WE, US, OUR and COMPANY** mean the Liberty National Life Insurance Company.

**YOU, YOUR, YOURS and INSURED** mean the person whose name is shown in the Policy Schedule.

## **BASIC CORE BENEFITS**

### **PART 1 BENEFITS FOR HOSPITAL STAYS - MEDICARE PART A**

We will pay the following benefits when You have a Hospital Stay for which benefits are paid by Medicare Part A:

- 1) Coverage of Part A Medicare Eligible Expenses for hospitalization to the extent not covered by Medicare from the 61st day through the 90th day in any Medicare benefit period;
- 2) Coverage of Part A Medicare Eligible Expenses incurred for hospitalization to the extent not covered by Medicare for each Medicare lifetime reserve day used; and
- 3) Upon exhaustion of the Medicare hospital inpatient coverage, including the lifetime reserve days, coverage of 100% of the Medicare Part A eligible expenses for hospitalization paid at the applicable prospective payment system (PPS) rate, or other appropriate Medicare standard of payment, subject to a lifetime maximum benefit of an additional 365 days. The provider shall accept the issuer's payment as payment in full and may not bill the insured for any balance.

### **PART 2 MEDICARE BLOOD DEDUCTIBLE BENEFIT**

We will pay the expense You incur for coverage under Medicare Parts A and B for the reasonable cost of the first 3 pints of blood (or equivalent quantities of packed red blood cells, as defined under Federal regulations), unless replaced in accordance with Federal regulations.

### **PART 3 BENEFITS FOR MEDICAL EXPENSE - MEDICARE PART B**

If You incur a medical expense that is eligible under Medicare Part B, We will pay the following benefit for the Medicare approved charge:

Coverage for the coinsurance amount, or in the case of hospital outpatient department services paid under a prospective payment system, the copayment amount, of Medicare Eligible Expenses under Part B regardless of hospital confinement, subject to the Medicare Part B deductible.

Under this PART 3 of this policy, We will not pay benefits for (a) the Medicare Part B blood deductible for which benefits are paid under PART 2 of this policy, or (b) any portion of the Medicare Part B Calendar Year deductible.

### **PART 4 HOSPICE CARE BENEFIT**

We will pay the expense You incur for cost sharing for all Part A Medicare eligible hospice care and respite care expenses.

## **ADDITIONAL BENEFITS**

### **PART 5 MEDICARE PART A DEDUCTIBLE BENEFIT**

We will pay the expense You incur for all of the Medicare Part A Inpatient hospital deductible amount per Benefit Period.

### **PART 6 LIMITATIONS AND EXCLUSIONS**

We will not pay benefits under this policy for:

- 1) Any expense which You are not legally obligated to pay; or
- 2) Any services that are not medically necessary as determined by Medicare or are not furnished at the direction of and under the supervision of a Physician; or
- 3) Any portion of any expense for which payment is made by Medicare; or
- 4) Custodial or intermediate level care, or rest cures; or
- 5) Any type of expense not eligible for coverage under Medicare.

## POLICY PROVISIONS

**PREMIUM PAYMENT:** This policy is issued based on the application and the payment of the first premium. A copy of the application is a part of this policy. This policy takes effect at 12 o'clock noon, Standard Time of the place where You reside, and remains in effect until the same hour on the date on which the initial term expires.

The effective date of this policy, the first premium and the date the initial term expires are shown in the POLICY SCHEDULE. All premiums, except the first premium, shall be due and payable at Our Administrative Offices.

Upon Your death, We will refund any premiums paid in Your behalf, for any period beyond the ending of the policy month the death occurred, within 30 days after We receive proof of death.

If death is due to Injury and this policy provides for the refund of premiums for death due to Injury, only one benefit will be paid, the largest.

**ENTIRE CONTRACT; CHANGES:** This policy, with the application and attached papers, is the entire contract between You and Us. No change in this policy will be effective until approved by Us. This approval must be noted on or attached to this policy.

No agent may change this policy or waive any of its provisions.

**TIME LIMIT ON CERTAIN DEFENSES:** After 2 years from the effective date, only fraudulent misstatements in the application may be used to void this policy or deny any claim for loss incurred after the 2 year period.

No claim for loss incurred after 60 days from the effective date will be reduced or denied because a Sickness or physical condition had existed before the effective date of this policy.

**GRACE PERIOD:** This policy has a 31 day grace period. This means that if a renewal premium is not paid on or before the date it is due, it may be paid during the following 31 days. During the grace period this policy will stay in force.

**REINSTATEMENT:** If the renewal premium is not paid before the grace period ends, this policy will lapse. Later acceptance of the premium by Us (or by Our agent authorized to accept payment) without requiring an application for reinstatement will reinstate this policy.

If We or Our agent requires an application, this policy will be reinstated when We approve the application, or on the 45th day after We receive it unless We have previously written You of its disapproval.

The reinstated policy will cover only loss that results from an Injury sustained after the date of reinstatement or Sickness that starts more than 10 days after such date. In all other respects Your rights and Our rights will remain the same, subject to any provisions noted on or attached to the reinstated policy.

**SUSPENSION OF COVERAGE WHILE ENTITLED TO MEDICAID:** By written notice to Us, You may request that benefits and premiums for You under this policy be suspended for the period in which You have been determined to be entitled to Medicaid. Written notice must be received by Us within 90 days after the date You become entitled to Medicaid. After We have received such notice, We will return to You any portion of premiums paid for the period of suspension less any claims paid. The suspension period shall not exceed 24 months.

If Your entitlement to Medicaid ends, You must send Us written notice of the loss of such entitlement within 90 days and pay the premium attributable to the period, effective as of the date of termination of entitlement. We will reinstitute Your benefits and premiums under this policy as of the date Your entitlement ended. The reinstated coverage shall be the same as if no suspension has occurred.

**SUSPENSION OF COVERAGE WHILE ENTITLED TO BENEFITS UNDER A GROUP HEALTH PLAN:** By written notice to Us, You may request that benefits and premiums for You under this policy be suspended (for any period that may be provided by federal regulation) if You are entitled to benefits under Section 226(b) of the Social Security Act and are covered under a group health plan (as defined in Section 1862 (b)(1)(A)(v) of the Social Security Act). Written notice must be received by Us within 90 days after the date You become entitled to coverage under the group health plan. After We have received such notice, We will return to You any portion of premiums paid for the period of suspension less any claims paid.

If Your entitlement to coverage under the group health plan ends, You must send Us written notice of the loss of such entitlement within 90 days and pay the premium attributable to the period, effective as of the date of termination of enrollment in the group health plan. We will reinstitute Your benefits and premiums under this policy as of the date Your entitlement ended. The reinstated coverage shall be the same as if no suspension had occurred.

Reinstitution of these coverages: (1) Shall not provide for any waiting period with respect to treatment of Pre-Existing Conditions; (2) Shall provide for resumption of coverage that is substantially equivalent to coverage in effect before the date of suspension; and (3) Shall provide for classification of premiums on terms at least as favorable to the policyholder as the premium classification terms that would have applied to the policyholder had the coverage not been suspended.

**NOTICE OF CLAIM:** Written notice of claim must be given to Us within 20 days after a covered loss starts or as soon as reasonably possible. The notice can be given to Us at Our Administrative Offices in McKinney, Texas or to Our agent.

Notice should include Your name and Your Policy Number.

**CLAIM FORMS:** When We receive the notice of claim, We will send You any required forms for filing proof of loss, if applicable. If these forms are not given to You within 15 days, You will meet the proof of loss requirements by giving Us a written statement of the nature and extent of Your loss.

**PROOF OF LOSS:** You must give written proof of loss to Us within 6 months after the date of such loss. If it was not reasonably possible to give written proof in the time required, We will not reduce or deny the claim for this reason if the proof is filed as soon as reasonably possible. In any event, the proof required must be given no later than 1 year from the time specified unless You were legally incapacitated.

**TIME OF PAYMENT OF CLAIMS:** After receiving written proof of loss, We will pay all benefits then due for such loss.

**PAYMENT OF CLAIMS:** Any benefits unpaid at Your death may be paid, at Our option, either to Your beneficiary or Your estate. All other benefits will be paid to You.

If benefits are payable to Your estate or a beneficiary who cannot execute a valid release, We can pay benefits up to \$1,000.00 to someone related to You or the beneficiary by blood or marriage whom We consider to be entitled to the benefits. We will be discharged to the extent of any such payment made in good faith.

**PHYSICAL EXAMINATIONS:** We, at Our expense, have the right to have You examined as often as reasonably necessary while a claim is pending.

**LEGAL ACTIONS:** No legal action may be brought to recover on this policy within 60 days after written proof of loss has been given as required by this policy. No such action may be brought after 3 years from the time written proof of loss is required to be given.

**CONFORMITY WITH STATE STATUTES:** Any provision of this policy which, on its effective date, is in conflict with the laws of the state in which You reside on that date is amended to conform to the minimum requirements of such laws.

**ASSIGNMENT:** No assignment under this policy shall be binding upon Us unless the original (or a copy of it) is on file at Our Administrative Offices. We do not assume any responsibility for the validity of any assignment.

This policy is signed for Us by Our President and Secretary.



Secretary



President

Countersigned:

Licensed Resident Agent where required by law.

**NOTICE TO BUYER: This policy may not cover all of Your medical expenses.**

**MEDICARE SUPPLEMENT POLICY**

**BENEFIT PLAN F**

**GUARANTEED RENEWABLE FOR LIFE. COMPANY CANNOT CANCEL POLICY.  
COMPANY MAY CHANGE PREMIUM RATES BY CLASS AND AS MEDICARE BENEFITS  
CHANGE AS PROVIDED IN THE GUARANTEED RENEWAL PROVISION.**

**LIBERTY NATIONAL LIFE INSURANCE COMPANY**

**P.O. BOX 8080 \* MCKINNEY, TEXAS 75070 (972) 529-5085**

**A Legal Reserve Stock Company \* Administrative Offices: McKinney, Texas**

**30 DAY RIGHT TO EXAMINE POLICY**

If You are not satisfied with this policy for any reason, return it to Our Administrative Offices or to the agent within 30 days after You receive it. Any premium You paid will be refunded. The policy will be void from the beginning. It will be as if no policy had been issued.

**GUARANTEED RENEWAL PROVISION**

You can renew and continue this policy in force during Your lifetime, for successive renewal terms by paying appropriate renewal premiums before the end of the grace period. The appropriate renewal premiums will be those under Our applicable table of premium rates that is in effect on the respective due dates of such premiums.

We have the right to change the renewal premiums for this policy when We change, and in accordance with, Our table of premium rates applicable to all policies of this form and class. Class is based on year of issue, area of the state in which You resided at issue, and underwriting group at issue for policyholders of this form in Your state. Your premiums may also be increased due to increasing health care costs for all policies in Your class.

The benefits provided by this policy which are designed to cover cost sharing amounts under Medicare will change automatically to coincide with any applicable changes in the deductible and/or Coinsurance amounts which You are required to pay under Medicare. The renewal premiums for this policy may change on the renewal date following the effective date of any such applicable change. Any such premium change will be based on the actuarial computations which We then use to determine the renewal premium.

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**POLICY SCHEDULE**

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<b>INSURED</b>	<b>POLICY NUMBER</b>	<b>EFFECTIVE DATE</b>	<b>INITIAL TERM EXPIRES ON</b>	<b>INITIAL PREMIUM</b>
[John Doe]	[0000000]	[06-01-10]	[06-01-11]	[\$0]

If this policy is a replacement of an existing policy the “PRE-EXISTING CONDITIONS LIMITATIONS PROVISION” does not apply.

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### PRE-EXISTING CONDITIONS LIMITATIONS PROVISION

Loss due to a Pre-Existing Condition is not covered unless the loss is incurred more than 60 days after the policy effective date.

If You have a Pre-Existing Condition and qualify for open enrollment or have had a continuous period of creditable coverage for at least 60 days, We cannot exclude coverage based on the Pre-Existing Condition. If the period of creditable coverage is less than 60 days, We will give credit for the amount of time of creditable coverage You have had towards fulfilling the Pre-Existing Condition exclusion period.

If You are an Eligible Person who applied to enroll under this Medicare supplement policy not later than 63 days after the date of the termination or disenrollment, and who submitted evidence of the date of termination or disenrollment with the application, the Pre-Existing Conditions Limitations Provision will not apply.

### THE INSURING CLAUSE

The Company insures You against specified losses incurred by You. Benefits stated in this policy, subject to all its provisions, limitations and exclusions, will be paid for the losses which are incurred while this policy is in force.

### EXTENDED BENEFIT PROVISION

Termination of the policy shall be without prejudice to any continuous loss which commenced while the policy was in force, but the extension of benefits beyond the period during which the policy was in force may be conditioned upon the continuous total disability of the Insured, limited to the duration of the policy benefit period, if any, or payment of the maximum benefits. Receipt of Medicare Part D benefits will not be considered in determining a continuous loss.

### DEFINITIONS

Where used in this policy:

**BENEFIT PERIOD** means the unit of time used in the Medicare program to measure use of services and availability of services under Medicare Part A hospital insurance.

**CALENDAR YEAR** means the period beginning on each January 1 and ending on the following December 31.

**COINSURANCE AMOUNTS** means the portion of Medicare approved expense You are obligated to pay but not including the Medicare Part A inpatient hospital deductible or Part B Calendar Year deductible.

**CONTINUOUS PERIOD OF CREDITABLE COVERAGE** means the period during which an individual was covered by creditable coverage, if during the period of the coverage the individual had no breaks in coverage greater than sixty-three (63) days.

**CREDITABLE COVERAGE** means coverage of an individual provided by any of the following:

1. A group health plan;
2. Health insurance coverage;
3. Part A or Part B of Title XVIII of the Social Security Act (Medicare);
4. Title XIX of the Social Security Act (Medicaid), other than coverage consisting solely of benefits under Section 1928;
5. Chapter 55 of Title 10 United States Code (CHAMPUS);
6. A medical care program of the Indian Health Service or of a tribal organization;
7. A state health benefits risk pool;
8. A health plan offered under Chapter 89 of Title 5 United States Code (Federal Employees Health Benefits Program);
9. A public health plan as defined in federal regulation; and
10. A health benefit plan under Section 5(e) of the Peace Corps Act (22 United States Code 2504(e)).

**ELIGIBLE PERSON** means a person who submits evidence of the date of termination, disenrollment, or Medicare Part D enrollment as applies under the following plans: (1) Employee Welfare Benefit Plan; (2) Medicare Advantage plan; (3) Medicare Select Plan, Medicare Risk or Cost Plan, or Medicare HMO plan; or (4) Medicare supplement policy.

**EMERGENCY CARE** means care needed immediately because of an Injury or an illness of sudden and unexpected onset.

**HOSPITAL** means a lawfully operated hospital which has been accredited by the Joint Commission on Accreditation of Hospitals.

**HOSPITAL STAY** means one day or more of confinement within a hospital, as a resident patient under the care of a Physician, due to Injury or Sickness.

**INJURY** means accidental bodily injury which is sustained while this policy is in force and includes all injuries resulting from one accident.

**MEDICARE** means the Health Insurance for the Aged Act, Title XVIII of the Social Security Amendments of 1965, as then constituted or later amended.

**MEDICARE ADVANTAGE PLAN** means a plan of coverage for health benefits under Medicare Part C as defined in 42 U.S.C. 1395w-28(b)(1), and includes: (1) Coordinated care plans which provide health care services, including but not limited to health maintenance organization plans (with or without a point-of-service option), plans offered by provider-sponsored organizations, and preferred provider organization plans; (2) Medical savings account plans coupled with a contribution into a Medicare Advantage plan medical savings account; and (3) Medicare Advantage private fee-for-service plans.

**MEDICARE ELIGIBLE EXPENSES** means expenses of the kinds covered by Medicare Parts A and B, to the extent recognized as reasonable and medically necessary by Medicare.

**PHYSICIAN** means a person legally licensed to treat Injury or Sickness, other than You or any member of Your immediate family.

**PRE-EXISTING CONDITION** means an Injury sustained or Sickness first manifesting itself prior to the policy effective date for which medical advice or treatment was recommended or given by a Physician within 6 months prior to the policy effective date.

**SICKNESS** means illness or disease of an insured person which first manifests itself after the effective date of insurance and while this policy is in force.

**SKILLED NURSING FACILITY** means a facility certified by Medicare as a Skilled Nursing Facility.

**SKILLED NURSING FACILITY STAY** means one day or more of confinement within a Skilled Nursing Facility, as a resident patient under the care of a Physician, following a Hospital Stay of at least 3 days. The Skilled Nursing Facility Stay must be for further treatment of the Injury or Sickness requiring the Hospital Stay and begin within 30 days of hospital discharge.

**WE, US, OUR and COMPANY** mean the Liberty National Life Insurance Company.

**YOU, YOUR, YOURS and INSURED** mean the person whose name is shown in the Policy Schedule.

## **BASIC CORE BENEFITS**

### **PART 1 BENEFITS FOR HOSPITAL STAYS - MEDICARE PART A**

We will pay the following benefits when You have a Hospital Stay for which benefits are paid by Medicare Part A:

- 1) Coverage of Part A Medicare Eligible Expenses for hospitalization to the extent not covered by Medicare from the 61st day through the 90th day in any Medicare benefit period;
- 2) Coverage of Part A Medicare Eligible Expenses incurred for hospitalization to the extent not covered by Medicare for each Medicare lifetime reserve day used; and
- 3) Upon exhaustion of the Medicare hospital inpatient coverage, including the lifetime reserve days, coverage of 100% of the Medicare Part A eligible expenses for hospitalization paid at the applicable prospective payment system (PPS) rate, or other appropriate Medicare standard of payment, subject to a lifetime maximum benefit of an additional 365 days. The provider shall accept the issuer's payment as payment in full and may not bill the insured for any balance.

### **PART 2 MEDICARE BLOOD DEDUCTIBLE BENEFIT**

We will pay the expense You incur for coverage under Medicare Parts A and B for the reasonable cost of the first 3 pints of blood (or equivalent quantities of packed red blood cells, as defined under Federal regulations), unless replaced in accordance with Federal regulations.

### **PART 3 BENEFITS FOR MEDICAL EXPENSE - MEDICARE PART B**

If You incur a medical expense that is eligible under Medicare Part B, We will pay the following benefit for the Medicare approved charge:

Coverage for the coinsurance amount, or in the case of hospital outpatient department services paid under a prospective payment system, the copayment amount, of Medicare Eligible Expenses under Part B regardless of hospital confinement, subject to the Medicare Part B deductible.

Under this PART 3 of this policy, We will not pay benefits for (a) the Medicare Part B blood deductible for which benefits are paid under PART 2 of this policy, or (b) any portion of the Medicare Part B Calendar Year deductible.

**PART 4**

**HOSPICE CARE BENEFIT**

We will pay the expenses You incur for cost sharing for all Part A Medicare eligible hospice care and respite care expenses.

**ADDITIONAL BENEFITS**

**PART 5**

**MEDICARE PART A DEDUCTIBLE BENEFIT**

We will pay the expense You incur for all of the Medicare Part A Inpatient hospital deductible amount per Benefit Period.

**PART 6 BENEFITS FOR SKILLED NURSING FACILITY STAYS - MEDICARE PART A**

When You have a posthospital Skilled Nursing Facility Stay which is eligible under Medicare Part A, We will pay the following benefit:

Coverage for the actual billed charges up to the Coinsurance Amount from the 21st day through the 100th day in a Medicare Benefit Period for post-hospital Skilled Nursing Facility care eligible under Medicare Part A .

**PART 7**

**MEDICARE PART B DEDUCTIBLE BENEFIT**

We will pay the expense You incur for all of the Medicare Part B deductible amount per Calendar Year regardless of Hospital confinement.

**PART 8**

**100% EXCESS EXPENSE BENEFIT - MEDICARE PART B**

We will pay 100% of the difference between the actual Medicare Part B charge as billed, not to exceed any charge limitation established by the Medicare program or state law, and the Medicare-approved Part B charge.

**PART 9**

**MEDICALLY NECESSARY EMERGENCY CARE IN A FOREIGN COUNTRY**

We will pay benefits for coverage to the extent not covered by Medicare for 80% of the billed charges for Medicare Eligible Expenses for Medically Necessary Emergency hospital, physician and medical care received in a foreign country, which care would have been covered by Medicare if provided in the United States and which began during the first 60 consecutive days of each trip outside of the United States, subject to a calendar year deductible of \$250, and a lifetime maximum benefit of \$50,000.

For the purposes of this benefit, "Emergency Care" shall mean care needed immediately because of an Injury or an illness of sudden and unexpected onset.

**PART 10**

**LIMITATIONS AND EXCLUSIONS**

We will not pay benefits under this policy for:

- 1) Any expense which You are not legally obligated to pay; or
- 2) Any services that are not medically necessary as determined by Medicare or are not furnished at the direction of and under the supervision of a Physician; or
- 3) Any portion of any expense for which payment is made by Medicare; or
- 4) Custodial or intermediate level care, or rest cures; or
- 5) Any type of expense not eligible for coverage under Medicare, except as provided under Part 9.

**POLICY PROVISIONS**

**PREMIUM PAYMENT:** This policy is issued based on the application and the payment of the first premium. A copy of the application is a part of this policy. This policy takes effect at 12 o'clock noon, Standard Time of the place where You reside, and remains in effect until the same hour on the date on which the initial term expires.

The effective date of this policy, the first premium and the date the initial term expires are shown in the POLICY SCHEDULE. All premiums, except the first premium, shall be due and payable at Our Administrative Offices.

Upon Your death, We will refund any premiums paid in Your behalf, for any period beyond the ending of the policy month the death occurred, within 30 days after We receive proof of death.

If death is due to Injury and this policy provides for the refund of premiums for death due to Injury, only one benefit will be paid, the largest.

**ENTIRE CONTRACT; CHANGES:** This policy, with the application and attached papers, is the entire contract between You and Us. No change in this policy will be effective until approved by Us. This approval must be noted on or attached to this policy.

No agent may change this policy or waive any of its provisions.

**TIME LIMIT ON CERTAIN DEFENSES:** After 2 years from the effective date, only fraudulent misstatements in the application may be used to void this policy or deny any claim for loss incurred after the 2 year period.

No claim for loss incurred after 60 days from the effective date will be reduced or denied because a Sickness or physical condition had existed before the effective date of this policy.

**GRACE PERIOD:** This policy has a 31 day grace period. This means that if a renewal premium is not paid on or before the date it is due, it may be paid during the following 31 days. During the grace period this policy will stay in force.

**REINSTATEMENT:** If the renewal premium is not paid before the grace period ends, this policy will lapse. Later acceptance of the premium by Us (or by Our agent authorized to accept payment) without requiring an application for reinstatement will reinstate this policy.

If We or Our agent requires an application, this policy will be reinstated when We approve the application, or on the 45th day after We receive it unless We have previously written You of its disapproval.

The reinstated policy will cover only loss that results from an Injury sustained after the date of reinstatement or Sickness that starts more than 10 days after such date. In all other respects Your rights and Our rights will remain the same, subject to any provisions noted on or attached to the reinstated policy.

**SUSPENSION OF COVERAGE WHILE ENTITLED TO MEDICAID:** By written notice to Us, You may request that benefits and premiums for You under this policy be suspended for the period in which You have been determined to be entitled to Medicaid. Written notice must be received by Us within 90 days after the date You become entitled to Medicaid. After We have received such notice, We will return to You any portion of premiums paid for the period of suspension less any claims paid. The suspension period shall not exceed 24 months.

If Your entitlement to Medicaid ends, You must send Us written notice of the loss of such entitlement within 90 days and pay the premium attributable to the period, effective as of the date of termination of entitlement. We will reinstate Your benefits and premiums under this policy as of the date Your entitlement ended. The reinstated coverage shall be the same as if no suspension has occurred.

**SUSPENSION OF COVERAGE WHILE ENTITLED TO BENEFITS UNDER A GROUP HEALTH PLAN:** By written notice to Us, You may request that benefits and premiums for You under this policy be suspended (for any period that may be provided by federal regulation) if You are entitled to benefits under Section 226(b) of the Social Security Act and are covered under a group health plan (as defined in Section 1862 (b)(1)(A)(v) of the Social Security Act). Written notice must be received by Us within 90 days after the date You become entitled to coverage under the group health plan. After We have received such notice, We will return to You any portion of premiums paid for the period of suspension less any claims paid.

If Your entitlement to coverage under the group health plan ends, You must send Us written notice of the loss of such entitlement within 90 days and pay the premium attributable to the period, effective as of the date of termination of enrollment in the group health plan. We will reinstate Your benefits and premiums under this policy as of the date Your entitlement ended. The reinstated coverage shall be the same as if no suspension has occurred.

Reinstitution of these coverages: (1) Shall not provide for any waiting period with respect to treatment of Pre-Existing Conditions; (2) Shall provide for resumption of coverage that is substantially equivalent to coverage in effect before the date of suspension; and (3) Shall provide for classification of premiums on terms at least as favorable to the policyholder as the premium classification terms that would have applied to the policyholder had the coverage not been suspended.

**NOTICE OF CLAIM:** Written notice of claim must be given to Us within 20 days after a covered loss starts or as soon as reasonably possible. The notice can be given to Us at Our Administrative Offices in McKinney, Texas or to Our agent.

Notice should include Your name and Your Policy Number.

**CLAIM FORMS:** When We receive the notice of claim, We will send You any required forms for filing proof of loss, if applicable. If these forms are not given to You within 15 days, You will meet the proof of loss requirements by giving Us a written statement of the nature and extent of Your loss.

**PROOF OF LOSS:** You must give written proof of loss to Us within 6 months after the date of such loss. If it was not reasonably possible to give written proof in the time required, We will not reduce or deny the claim for this reason if the proof is filed as soon as reasonably possible. In any event, the proof required must be given no later than 1 year from the time specified unless You were legally incapacitated.

**TIME OF PAYMENT OF CLAIMS:** After receiving written proof of loss, We will pay all benefits then due for such loss.

**PAYMENT OF CLAIMS:** Any benefits unpaid at Your death may be paid, at Our option, either to Your beneficiary or Your estate. All other benefits will be paid to You.

If benefits are payable to Your estate or a beneficiary who cannot execute a valid release, We can pay benefits up to \$1,000.00 to someone related to You or the beneficiary by blood or marriage whom We consider to be entitled to the benefits. We will be discharged to the extent of any such payment made in good faith.

**PHYSICAL EXAMINATIONS:** We, at Our expense, have the right to have You examined as often as reasonably necessary while a claim is pending.

**LEGAL ACTIONS:** No legal action may be brought to recover on this policy within 60 days after written proof of loss has been given as required by this policy. No such action may be brought after 3 years from the time written proof of loss is required to be given.

**CONFORMITY WITH STATE STATUTES:** Any provision of this policy which, on its effective date, is in conflict with the laws of the state in which You reside on that date is amended to conform to the minimum requirements of such laws.

**ASSIGNMENT:** No assignment under this policy shall be binding upon Us unless the original (or a copy of it) is on file at Our Administrative Offices. We do not assume any responsibility for the validity of any assignment.

This policy is signed for Us by Our President and Secretary.



Secretary



President

Countersigned:

Licensed Resident Agent where required by law.

**NOTICE TO BUYER:** This policy may not cover all of Your medical expenses.

**MEDICARE SUPPLEMENT POLICY**

**HIGH DEDUCTIBLE BENEFIT PLAN F**

**GUARANTEED RENEWABLE FOR LIFE. COMPANY CANNOT CANCEL POLICY.  
COMPANY MAY CHANGE PREMIUM RATES BY CLASS AND AS MEDICARE BENEFITS  
CHANGE AS PROVIDED IN THE GUARANTEED RENEWAL PROVISION.**

**LIBERTY NATIONAL LIFE INSURANCE COMPANY**

**P.O. BOX 8080 \* MCKINNEY, TEXAS 75070 (972) 529-5085**

**A Legal Reserve Stock Company \* Administrative Offices: McKinney, Texas**

**30 DAY RIGHT TO EXAMINE POLICY**

If You are not satisfied with this policy for any reason, return it to Our Administrative Offices or to the agent within 30 days after You receive it. Any premium You paid will be refunded. The policy will be void from the beginning. It will be as if no policy had been issued.

**GUARANTEED RENEWAL PROVISION**

You can renew and continue this policy in force during Your lifetime, for successive renewal terms by paying appropriate renewal premiums before the end of the grace period. The appropriate renewal premiums will be those under Our applicable table of premium rates that is in effect on the respective due dates of such premiums.

We have the right to change the renewal premiums for this policy when We change, and in accordance with, Our table of premium rates applicable to all policies of this form and class. Class is based on year of issue, area of the state in which You resided at issue, and underwriting group at issue for policyholders of this form in Your state. Your premiums may also be increased due to increasing health care costs for all policies in Your class.

The benefits provided by this policy which are designed to cover cost sharing amounts under Medicare will change automatically to coincide with any applicable changes in the deductible and/or Coinsurance amounts which You are required to pay under Medicare. The renewal premiums for this policy may change on the renewal date following the effective date of any such applicable change. Any such premium change will be based on the actuarial computations which We then use to determine the renewal premium.

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**POLICY SCHEDULE**

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<b>INSURED</b>	<b>POLICY NUMBER</b>	<b>EFFECTIVE DATE</b>	<b>INITIAL TERM EXPIRES ON</b>	<b>INITIAL PREMIUM</b>	<b>ANNUAL HIGH DEDUCTIBLE</b>
[John Doe]	[0000000]	[06-01-10]	[06-01-11]	[\$0]	[\$2,000]

This policy contains an annual high deductible as shown in the policy schedule above. This deductible will be adjusted for inflation each Calendar Year.

If this policy is a replacement of an existing policy the "PRE-EXISTING CONDITIONS LIMITATIONS PROVISION" does not apply.

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### PRE-EXISTING CONDITIONS LIMITATIONS PROVISION

Loss due to a Pre-Existing Condition is not covered unless the loss is incurred more than 60 days after the policy effective date.

If You have a Pre-Existing Condition and qualify for open enrollment or have had a continuous period of creditable coverage for at least 60 days, We cannot exclude coverage based on the Pre-Existing Condition. If the period of creditable coverage is less than 60 days, We will give credit for the amount of time of creditable coverage You have had towards fulfilling the Pre-Existing Condition exclusion period.

If You are an Eligible Person who applied to enroll under this Medicare supplement policy not later than 63 days after the date of the termination or disenrollment, and who submitted evidence of the date of termination or disenrollment with the application, the Pre-Existing Conditions Limitations Provision will not apply.

### THE INSURING CLAUSE

The Company insures You against specified losses incurred by You. Benefits stated in this policy, subject to all its provisions, limitations and exclusions, will be paid for the losses which are incurred while this policy is in force.

### EXTENDED BENEFIT PROVISION

Termination of the policy shall be without prejudice to any continuous loss which commenced while the policy was in force, but the extension of benefits beyond the period during which the policy was in force may be conditioned upon the continuous total disability of the Insured, limited to the duration of the policy benefit period, if any, or payment of the maximum benefits. Receipt of Medicare Part D benefits will not be considered in determining a continuous loss.

### DEFINITIONS

Where used in this policy:

**BENEFIT PERIOD** means the unit of time used in the Medicare program to measure use of services and availability of services under Medicare Part A hospital insurance.

**CALENDAR YEAR** means the period beginning on each January 1 and ending on the following December 31.

**COINSURANCE AMOUNTS** means the portion of Medicare approved expense You are obligated to pay but not including the Medicare Part A inpatient hospital deductible or Part B Calendar Year deductible.

**CONTINUOUS PERIOD OF CREDITABLE COVERAGE** means the period during which an individual was covered by creditable coverage, if during the period of the coverage the individual had no breaks in coverage greater than sixty-three (63) days.

**CREDITABLE COVERAGE** means coverage of an individual provided by any of the following:

1. A group health plan;
2. Health insurance coverage;
3. Part A or Part B of Title XVIII of the Social Security Act (Medicare);
4. Title XIX of the Social Security Act (Medicaid), other than coverage consisting solely of benefits under Section 1928;
5. Chapter 55 of Title 10 United States Code (CHAMPUS);
6. A medical care program of the Indian Health Service or of a tribal organization;
7. A state health benefits risk pool;
8. A health plan offered under Chapter 89 of Title 5 United States Code (Federal Employees Health Benefits Program);
9. A public health plan as defined in federal regulation; and
10. A health benefit plan under Section 5(e) of the Peace Corps Act (22 United States Code 2504(e)).

**ELIGIBLE PERSON** means a person who submits evidence of the date of termination, disenrollment, or Medicare Part D enrollment as applies under the following plans: (1) Employee Welfare Benefit Plan; (2) Medicare Advantage plan; (3) Medicare Select Plan, Medicare Risk or Cost Plan, or Medicare HMO plan; or (4) Medicare supplement policy.

**EMERGENCY CARE** means care needed immediately because of an Injury or an illness of sudden and unexpected onset.

**HOSPITAL** means a lawfully operated hospital which has been accredited by the Joint Commission on Accreditation of Hospitals.

**HOSPITAL STAY** means one day or more of confinement within a hospital, as a resident patient under the care of a Physician, due to Injury or Sickness.

**INJURY** means accidental bodily injury which is sustained while this policy is in force and includes all injuries resulting from one accident.

**MEDICARE** means the Health Insurance for the Aged Act, Title XVIII of the Social Security Amendments of 1965, as then constituted or later amended.

**MEDICARE ADVANTAGE PLAN** means a plan of coverage for health benefits under Medicare Part C as defined in 42 U.S.C. 1395w-28(b)(1), and includes: (1) Coordinated care plans which provide health care services, including but not limited to health maintenance organization plans (with or without a point-of-service option), plans offered by provider-sponsored organizations, and preferred provider organization plans; (2) Medical savings account plans coupled with a contribution into a Medicare Advantage plan medical savings account; and (3) Medicare Advantage private fee-for-service plans.

**MEDICARE ELIGIBLE EXPENSES** means expenses of the kinds covered by Medicare Parts A and B, to the extent recognized as reasonable and medically necessary by Medicare.

**PHYSICIAN** means a person legally licensed to treat Injury or Sickness, other than You or any member of Your immediate family.

**PRE-EXISTING CONDITION** means an Injury sustained or Sickness first manifesting itself prior to the policy effective date for which medical advice or treatment was recommended or given by a Physician within 6 months prior to the policy effective date.

**SICKNESS** means illness or disease of an insured person which first manifests itself after the effective date of insurance and while this policy is in force.

**SKILLED NURSING FACILITY** means a facility certified by Medicare as a Skilled Nursing Facility.

**SKILLED NURSING FACILITY STAY** means one day or more of confinement within a Skilled Nursing Facility, as a resident patient under the care of a Physician, following a Hospital Stay of at least 3 days. The Skilled Nursing Facility Stay must be for further treatment of the Injury or Sickness requiring the Hospital Stay and begin within 30 days of hospital discharge.

**WE, US, OUR and COMPANY** mean the Liberty National Life Insurance Company.

**YOU, YOUR, YOURS and INSURED** mean the person whose name is shown in the Policy Schedule.

### **BASIC CORE BENEFITS**

**ANNUAL HIGH DEDUCTIBLE:** We will pay the following benefits after You pay the annual high deductible each Calendar Year. The annual high deductible shall consist of out-of-pocket expenses, other than premiums, for services covered by this policy, and shall be in addition to any other specific benefit deductibles. Expenses incurred prior to the effective date of Your policy will not be applied to this deductible. The annual high deductible amount is shown in the policy schedule and shall be adjusted annually.

#### **PART 1 BENEFITS FOR HOSPITAL STAYS - MEDICARE PART A**

We will pay the following benefits when You have a Hospital Stay for which benefits are paid by Medicare Part A:

- 1) Coverage of Part A Medicare Eligible Expenses for hospitalization to the extent not covered by Medicare from the 61st day through the 90th day in any Medicare benefit period;
- 2) Coverage of Part A Medicare Eligible Expenses incurred for hospitalization to the extent not covered by Medicare for each Medicare lifetime reserve day used; and
- 3) Upon exhaustion of the Medicare hospital inpatient coverage, including the lifetime reserve days, coverage of 100% of the Medicare Part A eligible expenses for hospitalization paid at the applicable prospective payment system (PPS) rate, or other appropriate Medicare standard of payment, subject to a lifetime maximum benefit of an additional 365 days. The provider shall accept the issuer's payment as payment in full and may not bill the insured for any balance.

#### **PART 2 MEDICARE BLOOD DEDUCTIBLE BENEFIT**

We will pay the expense You incur for coverage under Medicare Parts A and B for the reasonable cost of the first 3 pints of blood (or equivalent quantities of packed red blood cells, as defined under Federal regulations), unless replaced in accordance with Federal regulations.

**PART 3 BENEFITS FOR MEDICAL EXPENSE - MEDICARE PART B**

If You incur a medical expense that is eligible under Medicare Part B, We will pay the following benefit for the Medicare approved charge:

Coverage for the coinsurance amount, or in the case of hospital outpatient department services paid under a prospective payment system, the copayment amount, of Medicare Eligible Expenses under Part B regardless of hospital confinement, subject to the Medicare Part B deductible.

Under this PART 3 of this policy, We will not pay benefits for (a) the Medicare Part B blood deductible for which benefits are paid under PART 2 of this policy, or (b) any portion of the Medicare Part B Calendar Year deductible.

**PART 4 HOSPICE CARE BENEFIT**

We will pay the expenses You incur for cost sharing for all Part A Medicare eligible hospice care and respite care expenses.

**ADDITIONAL BENEFITS**

**ANNUAL HIGH DEDUCTIBLE:** We will pay the following benefits after You pay the annual high deductible each Calendar Year. The annual high deductible shall consist of out-of-pocket expenses, other than premiums, for services covered by this policy, and shall be in addition to any other specific benefit deductibles. Expenses incurred prior to the effective date of Your policy will not be applied to this deductible. The annual high deductible amount is shown in the policy schedule and shall be adjusted annually.

**PART 5 MEDICARE PART A DEDUCTIBLE BENEFIT**

We will pay the expense You incur for all of the Medicare Part A Inpatient hospital deductible amount per Benefit Period.

**PART 6 BENEFITS FOR SKILLED NURSING FACILITY STAYS - MEDICARE PART A**

When You have a posthospital Skilled Nursing Facility Stay which is eligible under Medicare Part A, We will pay the following benefit:

Coverage for the actual billed charges up to the Coinsurance Amount from the 21st day through the 100th day in a Medicare Benefit Period for post-hospital Skilled Nursing Facility care eligible under Medicare Part A .

**PART 7 MEDICARE PART B DEDUCTIBLE BENEFIT**

We will pay the expense You incur for all of the Medicare Part B deductible amount per Calendar Year regardless of Hospital confinement.

**PART 8 100% EXCESS EXPENSE BENEFIT - MEDICARE PART B**

We will pay 100% of the difference between the actual Medicare Part B charge as billed, not to exceed any charge limitation established by the Medicare program or state law, and the Medicare-approved Part B charge.

**PART 9 MEDICALLY NECESSARY EMERGENCY CARE IN A FOREIGN COUNTRY**

We will pay benefits for coverage to the extent not covered by Medicare for 80% of the billed charges for Medicare Eligible Expenses for Medically Necessary Emergency hospital, physician and medical care received in a foreign country, which care would have been covered by Medicare if provided in the United States and which began during the first 60 consecutive days of each trip outside of the United States, subject to a calendar year deductible of \$250, and a lifetime maximum benefit of \$50,000.

For the purposes of this benefit, "Emergency Care" shall mean care needed immediately because of an Injury or an illness of sudden and unexpected onset.

**We will not pay benefits under this policy for:**

- 1) Any expense which You are not legally obligated to pay; or**
- 2) Any services that are not medically necessary as determined by Medicare or are not furnished at the direction of and under the supervision of a Physician; or**
- 3) Any portion of any expense for which payment is made by Medicare; or**
- 4) Custodial or intermediate level care, or rest cures; or**
- 5) Any type of expense not eligible for coverage under Medicare, except as provided under Part 9.**

**POLICY PROVISIONS**

**PREMIUM PAYMENT:** This policy is issued based on the application and the payment of the first premium. A copy of the application is a part of this policy. This policy takes effect at 12 o'clock noon, Standard Time of the place where You reside, and remains in effect until the same hour on the date on which the initial term expires.

The effective date of this policy, the first premium and the date the initial term expires are shown in the **POLICY SCHEDULE**. All premiums, except the first premium, shall be due and payable at Our Administrative Offices.

Upon Your death, We will refund any premiums paid in Your behalf, for any period beyond the ending of the policy month the death occurred, within 30 days after We receive proof of death.

If death is due to Injury and the policy provides for the refund of premiums for death due to Injury, only one benefit will be paid, the largest.

**ENTIRE CONTRACT; CHANGES:** This policy, with the application and attached papers, is the entire contract between You and Us. No change in this policy will be effective until approved by Us. This approval must be noted on or attached to this policy.

No agent may change this policy or waive any of its provisions.

**TIME LIMIT ON CERTAIN DEFENSES:** After 2 years from the effective date, only fraudulent misstatements in the application may be used to void this policy or deny any claim for loss incurred after the 2 year period.

No claim for loss incurred after 60 days from the effective date will be reduced or denied because a Sickness or physical condition had existed before the effective date of this policy.

**GRACE PERIOD:** This policy has a 31 day grace period. This means that if a renewal premium is not paid on or before the date it is due, it may be paid during the following 31 days. During the grace period this policy will stay in force.

**REINSTATEMENT:** If the renewal premium is not paid before the grace period ends, this policy will lapse. Later acceptance of the premium by Us (or by Our agent authorized to accept payment) without requiring an application for reinstatement will reinstate this policy.

If We or Our agent requires an application, this policy will be reinstated when We approve the application, or on the 45th day after We receive it unless We have previously written You of its disapproval.

The reinstated policy will cover only loss that results from an Injury sustained after the date of reinstatement or Sickness that starts more than 10 days after such date. In all other respects Your rights and Our rights will remain the same, subject to any provisions noted on or attached to the reinstated policy.

**SUSPENSION OF COVERAGE WHILE ENTITLED TO MEDICAID:** By written notice to Us, You may request that benefits and premiums for You under this policy be suspended for the period in which You have been determined to be entitled to Medicaid. Written notice must be received by Us within 90 days after the date You become entitled to Medicaid. After We have received such notice, We will return to You any portion of premiums paid for the period of suspension less any claims paid. The suspension period shall not exceed 24 months.

If Your entitlement to Medicaid ends, You must send Us written notice of the loss of such entitlement within 90 days and pay the premium attributable to the period, effective as of the date of termination of entitlement. We will reinstitute Your benefits and premiums under this policy as of the date Your entitlement ended. The reinstated coverage shall be the same as if no suspension has occurred.

**SUSPENSION OF COVERAGE WHILE ENTITLED TO BENEFITS UNDER A GROUP HEALTH PLAN:** By written notice to Us, You may request that benefits and premiums for You under this policy be suspended (for any period that may be provided by federal regulation) if You are entitled to benefits under Section 226(b) of the Social Security Act and are covered under a group health plan (as defined in Section 1862 (b)(1)(A)(v) of the Social Security Act). Written notice must be received by Us within 90 days after the date You become entitled to coverage under the group health plan. After We have received such notice, We will return to You any portion of premiums paid for the period of suspension less any claims paid.

If Your entitlement to coverage under the group health plan ends, You must send Us written notice of the loss of such entitlement within 90 days and pay the premium attributable to the period, effective as of the date of termination of enrollment in the group health plan. We will reinstitute Your benefits and premiums under this policy as of the date Your entitlement ended. The reinstated coverage shall be the same as if no suspension had occurred.

Reinstitution of these coverages: (1) Shall not provide for any waiting period with respect to treatment of Pre-Existing Conditions; (2) Shall provide for resumption of coverage that is substantially equivalent to coverage in effect before the date of suspension; and (3) Shall provide for classification of premiums on terms at least as favorable to the policyholder as the premium classification terms that would have applied to the policyholder had the coverage not been suspended.

**NOTICE OF CLAIM:** Written notice of claim must be given to Us within 20 days after a covered loss starts or as soon as reasonably possible. The notice can be given to Us at Our Administrative Offices in McKinney, Texas or to Our agent.

Notice should include Your name and Your Policy Number.

**CLAIM FORMS:** When We receive the notice of claim, We will send You any required forms for filing proof of loss, if applicable. If these forms are not given to You within 15 days, You will meet the proof of loss requirements by giving Us a written statement of the nature and extent of Your loss.

**PROOF OF LOSS:** You must give written proof of loss to Us within 6 months after the date of such loss. If it was not reasonably possible to give written proof in the time required, We will not reduce or deny the claim for this reason if the proof is filed as soon as reasonably possible. In any event, the proof required must be given no later than 1 year from the time specified unless You were legally incapacitated.

**TIME OF PAYMENT OF CLAIMS:** After receiving written proof of loss, We will pay all benefits then due for such loss.

**PAYMENT OF CLAIMS:** Any benefits unpaid at Your death may be paid, at Our option, either to Your beneficiary or Your estate. All other benefits will be paid to You.

If benefits are payable to Your estate or a beneficiary who cannot execute a valid release, We can pay benefits up to \$1,000.00 to someone related to You or the beneficiary by blood or marriage whom We consider to be entitled to the benefits. We will be discharged to the extent of any such payment made in good faith.

**PHYSICAL EXAMINATIONS:** We, at Our expense, have the right to have You examined as often as reasonably necessary while a claim is pending.

**LEGAL ACTIONS:** No legal action may be brought to recover on this policy within 60 days after written proof of loss has been given as required by this policy. No such action may be brought after 3 years from the time written proof of loss is required to be given.

**CONFORMITY WITH STATE STATUTES:** Any provision of this policy which, on its effective date, is in conflict with the laws of the state in which You reside on that date is amended to conform to the minimum requirements of such laws.

**ASSIGNMENT:** No assignment under this policy shall be binding upon Us unless the original (or a copy of it) is on file at Our Administrative Offices. We do not assume any responsibility for the validity of any assignment.

This policy is signed for Us by Our President and Secretary.

A handwritten signature in cursive script is written over a large, bold, diagonal stamp that reads "SPECIMEN".

Secretary

A handwritten signature in cursive script is written over a large, bold, diagonal stamp that reads "SPECIMEN".

President

Countersigned:

Licensed Resident Agent where required by law.

**NOTICE TO BUYER:** This policy may not cover all of Your medical expenses.

**MEDICARE SUPPLEMENT POLICY**

**BENEFIT PLAN B**

**GUARANTEED RENEWABLE FOR LIFE. COMPANY CANNOT CANCEL POLICY. COMPANY MAY CHANGE PREMIUM RATES BY CLASS AND AS MEDICARE BENEFITS CHANGE AS PROVIDED IN THE GUARANTEED RENEWAL PROVISION.**

**LIBERTY NATIONAL LIFE INSURANCE COMPANY**

**P.O. BOX 8080 \* MCKINNEY, TEXAS 75070 (972) 529-5085**

**A Legal Reserve Stock Company \* Administrative Offices: McKinney, Texas**

**30 DAY RIGHT TO EXAMINE POLICY**

If You are not satisfied with this policy for any reason, return it to Our Administrative Offices or to the agent within 30 days after You receive it. Any premium You paid will be refunded. The policy will be void from the beginning. It will be as if no policy had been issued.

**GUARANTEED RENEWAL PROVISION**

You can renew and continue this policy in force during Your lifetime, for successive renewal terms by paying appropriate renewal premiums before the end of the grace period. The appropriate renewal premiums will be those under Our applicable table of premium rates that is in effect on the respective due dates of such premiums.

We have the right to change the renewal premiums for this policy when We change, and in accordance with, Our table of premium rates applicable to all policies of this form and class. Class is based on year of issue, area of the state in which You resided at issue, and underwriting group at issue for policyholders of this form in Your state. Your premiums may also be increased due to increasing health care costs for all policies in Your class.

The benefits provided by this policy which are designed to cover cost sharing amounts under Medicare will change automatically to coincide with any applicable changes in the deductible and/or Coinsurance amounts which You are required to pay under Medicare. The renewal premiums for this policy may change on the renewal date following the effective date of any such applicable change. Any such premium change will be based on the actuarial computations which We then use to determine the renewal premium.

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**POLICY SCHEDULE**

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<b>INSURED</b>	<b>POLICY NUMBER</b>	<b>EFFECTIVE DATE</b>	<b>INITIAL TERM EXPIRES ON</b>	<b>INITIAL PREMIUM</b>
[John Doe]	[0000000]	[06-01-10]	[06-01-11]	[\$0]

If this policy is a replacement of an existing policy the “PRE-EXISTING CONDITIONS LIMITATIONS PROVISION” does not apply.

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### PRE-EXISTING CONDITIONS LIMITATIONS PROVISION

Loss due to a Pre-Existing Condition is not covered unless the loss is incurred more than 6 months after the policy effective date.

If You have a Pre-Existing Condition and qualify for open enrollment or have had a continuous period of creditable coverage for at least 6 months, We cannot exclude coverage based on the Pre-Existing Condition. If the period of creditable coverage is less than 6 months, We will give credit for the amount of time of creditable coverage You have had towards fulfilling the Pre-Existing Condition exclusion period.

If You are an Eligible Person who applied to enroll under this Medicare supplement policy not later than 63 days after the date of the termination or disenrollment, and who submitted evidence of the date of termination or disenrollment with the application, the Pre-Existing Conditions Limitations Provision will not apply.

### THE INSURING CLAUSE

The Company insures You against specified losses incurred by You. Benefits stated in this policy, subject to all its provisions, limitations and exclusions, will be paid for the losses which are incurred while this policy is in force.

### EXTENDED BENEFIT PROVISION

Termination of the policy shall be without prejudice to any continuous loss which commenced while the policy was in force, but the extension of benefits beyond the period during which the policy was in force may be conditioned upon the continuous total disability of the Insured, limited to the duration of the policy benefit period, if any, or payment of the maximum benefits. Receipt of Medicare Part D benefits will not be considered in determining a continuous loss.

### DEFINITIONS

Where used in this policy:

**BENEFIT PERIOD** means the unit of time used in the Medicare program to measure use of services and availability of services under Medicare Part A hospital insurance.

**CALENDAR YEAR** means the period beginning on each January 1 and ending on the following December 31.

**COINSURANCE AMOUNTS** means the portion of Medicare approved expense You are obligated to pay but not including the Medicare Part A inpatient hospital deductible or Part B Calendar Year deductible.

**CONTINUOUS PERIOD OF CREDITABLE COVERAGE** means the period during which an individual was covered by creditable coverage, if during the period of the coverage the individual had no breaks in coverage greater than sixty-three (63) days.

**CREDITABLE COVERAGE** means coverage of an individual provided by any of the following:

1. A group health plan;
2. Health insurance coverage;
3. Part A or Part B of Title XVIII of the Social Security Act (Medicare);
4. Title XIX of the Social Security Act (Medicaid), other than coverage consisting solely of benefits under Section 1928;
5. Chapter 55 of Title 10 United States Code (CHAMPUS);
6. A medical care program of the Indian Health Service or of a tribal organization;
7. A state health benefits risk pool;
8. A health plan offered under Chapter 89 of Title 5 United States Code (Federal Employees Health Benefits Program);
9. A public health plan as defined in federal regulation; and
10. A health benefit plan under Section 5(e) of the Peace Corps Act (22 United States Code 2504(e)).

**ELIGIBLE PERSON** means a person who submits evidence of the date of termination, disenrollment, or Medicare Part D enrollment as applies under the following plans: (1) Employee Welfare Benefit Plan; (2) Medicare Advantage plan; (3) Medicare Select Plan, Medicare Risk or Cost Plan, or Medicare HMO plan; or (4) Medicare supplement policy.

**HOSPITAL** means a lawfully operated hospital which has been accredited by the Joint Commission on Accreditation of Hospitals.

**HOSPITAL STAY** means one day or more of confinement within a hospital, as a resident patient under the care of a Physician, due to Injury or Sickness.

**INJURY** means accidental bodily injury which is sustained while this policy is in force and includes all injuries resulting from one accident.

**MEDICARE** means the Health Insurance for the Aged Act, Title XVIII of the Social Security Amendments of 1965, as then constituted or later amended.

**MEDICARE ADVANTAGE PLAN** means a plan of coverage for health benefits under Medicare Part C as defined in 42 U.S.C. 1395w-28(b)(1), and includes: (1) Coordinated care plans which provide health care services, including but not limited to health maintenance organization plans (with or without a point-of-service option), plans offered by provider-sponsored organizations, and preferred provider organization plans; (2) Medical savings account plans coupled with a contribution into a Medicare Advantage plan medical savings account; and (3) Medicare Advantage private fee-for-service plans.

**MEDICARE ELIGIBLE EXPENSES** means expenses of the kinds covered by Medicare Parts A and B, to the extent recognized as reasonable and medically necessary by Medicare.

**PHYSICIAN** means a person legally licensed to treat Injury or Sickness, other than You or any member of Your immediate family.

**PRE-EXISTING CONDITION** means an Injury sustained or Sickness first manifesting itself prior to the policy effective date for which medical advice or treatment was recommended or given by a Physician within 6 months prior to the policy effective date.

**SICKNESS** means illness or disease of an insured person which first manifests itself after the effective date of insurance and while this policy is in force.

**WE, US, OUR and COMPANY** mean the Liberty National Life Insurance Company.

**YOU, YOUR, YOURS and INSURED** mean the person whose name is shown in the Policy Schedule.

## **BASIC CORE BENEFITS**

### **PART 1 BENEFITS FOR HOSPITAL STAYS - MEDICARE PART A**

We will pay the following benefits when You have a Hospital Stay for which benefits are paid by Medicare Part A:

- 1) Coverage of Part A Medicare Eligible Expenses for hospitalization to the extent not covered by Medicare from the 61st day through the 90th day in any Medicare benefit period;
- 2) Coverage of Part A Medicare Eligible Expenses incurred for hospitalization to the extent not covered by Medicare for each Medicare lifetime reserve day used; and
- 3) Upon exhaustion of the Medicare hospital inpatient coverage, including the lifetime reserve days, coverage of 100% of the Medicare Part A eligible expenses for hospitalization paid at the applicable prospective payment system (PPS) rate, or other appropriate Medicare standard of payment, subject to a lifetime maximum benefit of an additional 365 days. The provider shall accept the issuer's payment as payment in full and may not bill the insured for any balance.

### **PART 2 MEDICARE BLOOD DEDUCTIBLE BENEFIT**

We will pay the expense You incur for coverage under Medicare Parts A and B for the reasonable cost of the first 3 pints of blood (or equivalent quantities of packed red blood cells, as defined under Federal regulations), unless replaced in accordance with Federal regulations.

### **PART 3 BENEFITS FOR MEDICAL EXPENSE - MEDICARE PART B**

If You incur a medical expense that is eligible under Medicare Part B, We will pay the following benefit for the Medicare approved charge:

Coverage for the coinsurance amount, or in the case of hospital outpatient department services paid under a prospective payment system, the copayment amount, of Medicare Eligible Expenses under Part B regardless of hospital confinement, subject to the Medicare Part B deductible.

Under this PART 3 of this policy, We will not pay benefits for (a) the Medicare Part B blood deductible for which benefits are paid under PART 2 of this policy, or (b) any portion of the Medicare Part B Calendar Year deductible.

### **PART 4 HOSPICE CARE BENEFIT**

We will pay the expense You incur for cost sharing for all Part B Medicare eligible hospice care and respite care expenses.

## **ADDITIONAL BENEFITS**

### **PART 5 MEDICARE PART A DEDUCTIBLE BENEFIT**

We will pay the expense You incur for all of the Medicare Part A Inpatient hospital deductible amount per Benefit Period.

### **PART 6 LIMITATIONS AND EXCLUSIONS**

We will not pay benefits under this policy for:

- 1) Any expense which You are not legally obligated to pay; or
- 2) Any services that are not medically necessary as determined by Medicare or are not furnished at the direction of and under the supervision of a Physician; or
- 3) Any portion of any expense for which payment is made by Medicare; or
- 4) Custodial or intermediate level care, or rest cures; or
- 5) Any type of expense not eligible for coverage under Medicare.

## POLICY PROVISIONS

**PREMIUM PAYMENT:** This policy is issued based on the application and the payment of the first premium. A copy of the application is a part of this policy. This policy takes effect at 12 o'clock noon, Standard Time of the place where You reside, and remains in effect until the same hour on the date on which the initial term expires.

The effective date of this policy, the first premium and the date the initial term expires are shown in the POLICY SCHEDULE. All premiums, except the first premium, shall be due and payable at Our Administrative Offices.

Upon Your death, We will refund any premiums paid in Your behalf, for any period beyond the ending of the policy month the death occurred, within 30 days after We receive proof of death.

If death is due to Injury and this policy provides for the refund of premiums for death due to Injury, only one benefit will be paid, the largest.

**ENTIRE CONTRACT; CHANGES:** This policy, with the application and attached papers, is the entire contract between You and Us. No change in this policy will be effective until approved by Us. This approval must be noted on or attached to this policy.

No agent may change this policy or waive any of its provisions.

**TIME LIMIT ON CERTAIN DEFENSES:** After 2 years from the effective date, only fraudulent misstatements in the application may be used to void this policy or deny any claim for loss incurred after the 2 year period.

No claim for loss incurred after 6 months from the effective date will be reduced or denied because a Sickness or physical condition had existed before the effective date of this policy.

**GRACE PERIOD:** This policy has a 31 day grace period. This means that if a renewal premium is not paid on or before the date it is due, it may be paid during the following 31 days. During the grace period this policy will stay in force.

**REINSTATEMENT:** If the renewal premium is not paid before the grace period ends, this policy will lapse. Later acceptance of the premium by Us (or by Our agent authorized to accept payment) without requiring an application for reinstatement will reinstate this policy.

If We or Our agent requires an application, this policy will be reinstated when We approve the application, or on the 45th day after We receive it unless We have previously written You of its disapproval.

The reinstated policy will cover only loss that results from an Injury sustained after the date of reinstatement or Sickness that starts more than 10 days after such date. In all other respects Your rights and Our rights will remain the same, subject to any provisions noted on or attached to the reinstated policy.

**SUSPENSION OF COVERAGE WHILE ENTITLED TO MEDICAID:** By written notice to Us, You may request that benefits and premiums for You under this policy be suspended for the period in which You have been determined to be entitled to Medicaid. Written notice must be received by Us within 90 days after the date You become entitled to Medicaid. After We have received such notice, We will return to You any portion of premiums paid for the period of suspension less any claims paid. The suspension period shall not exceed 24 months.

If Your entitlement to Medicaid ends, You must send Us written notice of the loss of such entitlement within 90 days and pay the premium attributable to the period, effective as of the date of termination of entitlement. We will reinstitute Your benefits and premiums under this policy as of the date Your entitlement ended. The reinstated coverage shall be the same as if no suspension has occurred.

**SUSPENSION OF COVERAGE WHILE ENTITLED TO BENEFITS UNDER A GROUP HEALTH PLAN:** By written notice to Us, You may request that benefits and premiums for You under this policy be suspended (for any period that may be provided by federal regulation) if You are entitled to benefits under Section 226(b) of the Social Security Act and are covered under a group health plan (as defined in Section 1862 (b)(1)(A)(v) of the Social Security Act). Written notice must be received by Us within 90 days after the date You become entitled to coverage under the group health plan. After We have received such notice, We will return to You any portion of premiums paid for the period of suspension less any claims paid.

If Your entitlement to coverage under the group health plan ends, You must send Us written notice of the loss of such entitlement within 90 days and pay the premium attributable to the period, effective as of the date of termination of enrollment in the group health plan. We will reinstitute Your benefits and premiums under this policy as of the date Your entitlement ended. The reinstated coverage shall be the same as if no suspension had occurred.

Reinstitution of these coverages: (1) Shall not provide for any waiting period with respect to treatment of Pre-Existing Conditions; (2) Shall provide for resumption of coverage that is substantially equivalent to coverage in effect before the date of suspension; and (3) Shall provide for classification of premiums on terms at least as favorable to the policyholder as the premium classification terms that would have applied to the policyholder had the coverage not been suspended.

**NOTICE OF CLAIM:** Written notice of claim must be given to Us within 20 days after a covered loss starts or as soon as reasonably possible. The notice can be given to Us at Our Administrative Offices in McKinney, Texas or to Our agent.

Notice should include Your name and Your Policy Number.

**CLAIM FORMS:** When We receive the notice of claim, We will send You any required forms for filing proof of loss, if applicable. If these forms are not given to You within 15 days, You will meet the proof of loss requirements by giving Us a written statement of the nature and extent of Your loss.

**PROOF OF LOSS:** You must give written proof of loss to Us within 6 months after the date of such loss. If it was not reasonably possible to give written proof in the time required, We will not reduce or deny the claim for this reason if the proof is filed as soon as reasonably possible. In any event, the proof required must be given no later than 1 year from the time specified unless You were legally incapacitated.

**TIME OF PAYMENT OF CLAIMS:** After receiving written proof of loss, We will pay all benefits then due for such loss.

**PAYMENT OF CLAIMS:** Any benefits unpaid at Your death may be paid, at Our option, either to Your beneficiary or Your estate. All other benefits will be paid to You.

If benefits are payable to Your estate or a beneficiary who cannot execute a valid release, We can pay benefits up to \$1,000.00 to someone related to You or the beneficiary by blood or marriage whom We consider to be entitled to the benefits. We will be discharged to the extent of any such payment made in good faith.

**PHYSICAL EXAMINATIONS:** We, at Our expense, have the right to have You examined as often as reasonably necessary while a claim is pending.

**LEGAL ACTIONS:** No legal action may be brought to recover on this policy within 60 days after written proof of loss has been given as required by this policy. No such action may be brought after 3 years from the time written proof of loss is required to be given.

**CONFORMITY WITH STATE STATUTES:** Any provision of this policy which, on its effective date, is in conflict with the laws of the state in which You reside on that date is amended to conform to the minimum requirements of such laws.

**ASSIGNMENT:** No assignment under this policy shall be binding upon Us unless the original (or a copy of it) is on file at Our Administrative Offices. We do not assume any responsibility for the validity of any assignment.

This policy is signed for Us by Our President and Secretary.



Secretary



President

Countersigned:

Licensed Resident Agent where required by law.

SERFF Tracking Number: AMLC-126370833 State: Arkansas  
 Filing Company: Liberty National Life Insurance Company State Tracking Number: 43976  
 Company Tracking Number: LMSA10, ET. AL.  
 TOI: MS08I Individual Medicare Supplement - Sub-TOI: MS08I.001 Plan A 2010  
 Standard Plans 2010  
 Product Name: Medicare Supplement Policy Form  
 Project Name/Number: LMSA10, et. al./LMSA10, et. al

## Supporting Document Schedules

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> Flesch Certification	Accepted for Informational Purposes	01/13/2010

**Comments:**

**Attachment:**

S-1351LNL LMSA10 et al.pdf

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> Application	Approved	01/13/2010

**Comments:**

Filed and approved June 23, 2009 with a previous filings. Applications are LMA14(03) and LDMA14(03).

	<b>Item Status:</b>	<b>Status Date:</b>
<b>Satisfied - Item:</b> Outline of Coverage	Approved	01/13/2010

**Comments:**

**Attachments:**

DS-LMS2009(03).pdf

DS-LDMS2010(03).pdf

**LIBERTY NATIONAL LIFE INSURANCE COMPANY**  
McKinney, Texas

READABILITY CERTIFICATION

We hereby certify we have carefully reviewed the form(s) listed below and to the best of our knowledge and ability determine the Flesch scale analysis readability test score to be as shown:

<u>FORM</u>	<u>SCORE</u>
Medicare Supplement Policy Form LMSA10	67.87
Medicare Supplement Policy Form LMSB10	56.35
Medicare Supplement Policy Form LMSF10	60.06
Medicare Supplement Policy Form LMSHDF10	57.83
Medicare Supplement Policy Form LDMSB10	56.35

October 28, 2009  
Date

  
\_\_\_\_\_  
Michael J. Gaisbauer, Vice President

**LIBERTY NATIONAL LIFE INSURANCE COMPANY**  
P.O. BOX 8080, MCKINNEY, TEXAS 75070 (972) 529-5085  
A Legal Reserve Stock Company • Administrative Offices: McKinney, Texas

Benefit Chart of Medicare Supplement Plans Sold on or After June 1, 2010

Benefit Plans A, B, F, HDF

This chart shows the benefits included in each of the standard Medicare supplement plans. Every company must make Plan "A" available. Some plans may not be available in your state.

Plans E, H, I, and J are no longer available for sale.

**BASIC BENEFITS:**

Hospitalization: Part A coinsurance plus coverage for 365 additional days after Medicare benefits end.

Medical Expenses: Part B coinsurance (generally 20% of Medicare-approved expenses) or copayments for hospital outpatient services. Plans K, L and N require insureds to pay a portion of the Part B coinsurance or copayments.

Blood: First three pints of blood each year.

Hospice: Part A coinsurance.

<b>A*</b>	<b>B*</b>	<b>C</b>	<b>D</b>	<b>F*</b>	<b>F**</b>	<b>G</b>	<b>K</b>	<b>L</b>	<b>M</b>	<b>N</b>
Basic, including 100% Part B coinsurance		Basic, including 100% Part B coinsurance	Hospitalization and preventive care paid at 100%; other basic benefits paid at 50%	Hospitalization and preventive care paid at 100%; other basic benefits paid at 75%	Basic, including 100% Part B coinsurance	Basic, including 100% Part B coinsurance, except up to \$20 copayment for office visit, and up to \$50 copayment for ER				
		Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance		Skilled Nursing Facility Coinsurance	50% Skilled Nursing Facility Coinsurance	75% Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance
	Part A Deductible	Part A Deductible	Part A Deductible	Part A Deductible		Part A Deductible	50% Part A Deductible	75% Part A Deductible	50% Part A Deductible	Part A Deductible
		Part B Deductible		Part B Deductible						
				Part B Excess (100%)		Part B Excess (100%)				
		Foreign Travel Emergency	Foreign Travel Emergency	Foreign Travel Emergency		Foreign Travel Emergency			Foreign Travel Emergency	Foreign Travel Emergency
							Out-of-pocket limit \$[4620]; paid at 100% after limit reached	Out-of-pocket limit \$[2310]; paid at 100% after limit reached		

\* Denotes plans available by Liberty National Life Insurance Company.

\*\* Plan F also has an option called a high deductible Plan F. This high deductible plan pays the same benefits as Plan F after one has paid a calendar year [\$2000] deductible. Benefits from high deductible Plan F will not begin until out-of-pocket expenses exceed [\$2000]. Out-of-pocket expenses for this deductible are expenses that would ordinarily be paid by the policy. These expenses include the Medicare deductibles for Part A and Part B, but do not include the plan's separate foreign travel emergency deductible.

## **PREMIUM INFORMATION**

We, Liberty National Life Insurance Company, can only raise your premium if we raise the premium for all policies like yours in this State.

## **DISCLOSURES**

This outline shows benefits and premiums of policies sold for effective dates on or after June 1, 2010. Policies sold for effective dates prior to June 1, 2010 have different benefits and premiums. Plans E, H, I, and J are no longer available for sale.

## **READ YOUR POLICY VERY CAREFULLY**

This is only an Outline describing your policy's most important features. The policy is your insurance contract. You must read the policy itself to understand all of the rights and duties of both you and your insurance company.

## **RIGHT TO RETURN POLICY**

If you find that you are not satisfied with your policy, you may return it to Liberty National Life Insurance Company, P.O. Box 8080, McKinney, Texas 75070. If you send the policy back to us within 30 days after you receive it, we will treat the policy as if it had never been issued and return all of your payments.

## **POLICY REPLACEMENT**

If you are replacing another health insurance policy, do NOT cancel it until you have actually received your new policy and are sure you want to keep it.

## **NOTICE**

This policy may not fully cover all your medical cost.

Neither Liberty National Life Insurance Company nor its agents are connected with Medicare.

This Outline of Coverage does not give all the details of Medicare coverage. Contact your local Social Security Office or consult *Medicare and You* for more details.

## **COMPLETE ANSWERS ARE VERY IMPORTANT**

When you fill out the application for the new policy, be sure to answer truthfully and completely all questions about your medical and health history. The Company may cancel your policy and refuse to pay claims if you leave out or falsify important medical information.

Review the application carefully before you sign it. Be certain that all information has been properly recorded.

## **RENEWABILITY**

This policy is guaranteed renewable for life. We have the right to change the renewal premiums for this policy in accordance with our table of premium rates applicable to all policies of this form and class. This policy provides a 31-day grace period.

## Liberty National Life Insurance Company Medicare Supplement Rates

PLAN	Annual	Semi Annual	Quarterly	Monthly	Plan Code	Effective Date
A	1660	830	415	138	YA8	01-01-10
B	2430	1215	608	203	YB8	01-01-10
F	2798	1399	700	233	YC8	01-01-10
HDF	1000	500	250	83	YD8	01-01-10

**PLAN A**  
**MEDICARE (PART A) – HOSPITAL SERVICES – PER BENEFIT PERIOD**

\* A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
<b>HOSPITALIZATION *</b> Semiprivate room and board, general nursing and miscellaneous services and supplies			
First 60 days	All but [\$1100]	\$0	[\$1100] (Part A Deductible)
61st thru 90th day	All but [\$275] a day	[\$275] a day	\$0
91st day and after:			
– While using 60 lifetime reserve days	All but [\$550] a day	[\$550] a day	\$0
Once lifetime reserve days are used:			
– Additional 365 days	\$0	100% of Medicare Eligible Expenses	\$0 **
– Beyond the Additional 365 days	\$0	\$0	All Costs
<b>SKILLED NURSING FACILITY CARE *</b> You must meet Medicare’s requirements, including having been in a hospital for at least 3 days and entered a Medicare approved facility within 30 days after leaving the hospital			
First 20 days	All approved amounts	\$0	\$0
21st thru 100th day	All but [\$137.50] a day	\$0	Up to [\$137.50] a day
101st day and after	\$0	\$0	All Costs
<b>BLOOD</b>			
First 3 pints	\$0	3 pints	\$0
Additional Amounts	100%	\$0	\$0
<b>HOSPICE CARE</b> You must meet Medicare’s requirements, including a doctor’s certification of terminal illness	All but very limited copayment/ coinsurance for outpatient drugs and inpatient respite care	Medicare copayment/ coinsurance	\$0

\*\* **NOTICE:** When your Medicare Part A hospital benefits are exhausted, the insurer stands in the place of Medicare and will pay whatever amount Medicare would have paid for up to an additional 365 days as provided in the policy’s “Core Benefits.” During this time the hospital is prohibited from billing you the balance based on any difference between its billed charges and the amount Medicare would have paid.

**PLAN A**  
**MEDICARE (PART B) – MEDICAL SERVICES – PER CALENDAR YEAR**

\* Once you have been billed [\$155] of Medicare-Approved amounts for covered services (which are noted with an asterisk), your Part B Deductible will have been met for the calendar year.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
MEDICAL EXPENSES – IN OR OUT OF THE HOSPITAL AND OUTPATIENT HOSPITAL TREATMENT, such as Physician's services, inpatient and outpatient medical and surgical services and supplies, physical and speech therapy, diagnostic tests, durable medical equipment			
First [\$155] of Medicare Approved Amounts*	\$0	\$0	[\$155] (Part B Deductible)
Remainder of Medicare Approved Amounts	Generally 80%	Generally 20%	\$0
Part B Excess Charges (Above Medicare Approved Amounts)	\$0	\$0	All Costs
BLOOD			
First 3 pints	\$0	All Costs	\$0
Next [\$155] of Medicare Approved Amounts*	\$0	\$0	[\$155] (Part B Deductible)
Remainder of Medicare Approved Amounts	80%	20%	\$0
CLINICAL LABORATORY SERVICES – TESTS FOR DIAGNOSTIC SERVICES	100%	\$0	\$0

**PARTS A & B**

HOME HEALTH CARE MEDICARE APPROVED SERVICES			
– Medically necessary skilled care services and medical supplies	100%	\$0	\$0
– Durable medical equipment			
First [\$155] of Medicare Approved Amounts*	\$0	\$0	[\$155] (Part B Deductible)
Remainder of Medicare Approved Amounts	80%	20%	\$0

**PLAN B**  
**MEDICARE (PART A) – HOSPITAL SERVICES – PER BENEFIT PERIOD**

\* A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
<b>HOSPITALIZATION *</b>			
Semiprivate room and board, general nursing and miscellaneous services and supplies			
First 60 days	All but [\$1100]	[\$1100] (Part A Deductible)	\$0
61st thru 90th day	All but [\$275] a day	[\$275] a day	\$0
91st day and after:			
– While using 60 lifetime reserve days	All but [\$550] a day	[\$550] a day	\$0
Once lifetime reserve days are used:			
– Additional 365 days	\$0	100% of Medicare Eligible Expenses	\$0 **
– Beyond the Additional 365 days	\$0	\$0	All Costs
<b>SKILLED NURSING FACILITY CARE *</b>			
You must meet Medicare’s requirements, including having been in a hospital for at least 3 days and entered a Medicare approved facility within 30 days after leaving the hospital			
First 20 days	All approved amounts	\$0	\$0
21st thru 100th day	All but [\$137.50] a day	\$0	Up to [\$137.50] a day
101st day and after	\$0	\$0	All Costs
<b>BLOOD</b>			
First 3 pints	\$0	3 pints	\$0
Additional Amounts	100%	\$0	\$0
<b>HOSPICE CARE</b>			
You must meet Medicare’s requirements, including a doctor’s certification of terminal illness			
	All but very limited copayment/ coinsurance for outpatient drugs and inpatient respite care	Medicare copayment/ coinsurance	\$0

\*\* **NOTICE:** When your Medicare Part A hospital benefits are exhausted, the insurer stands in the place of Medicare and will pay whatever amount Medicare would have paid for up to an additional 365 days as provided in the policy’s “Core Benefits.” During this time the hospital is prohibited from billing you the balance based on any difference between its billed charges and the amount Medicare would have paid.

**PLAN B**  
**MEDICARE (PART B) – MEDICAL SERVICES – PER CALENDAR YEAR**

\* Once you have been billed [\$155] of Medicare-Approved amounts for covered services (which are noted with an asterisk), your Part B Deductible will have been met for the calendar year.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
MEDICAL EXPENSES – IN OR OUT OF THE HOSPITAL AND OUTPATIENT HOSPITAL TREATMENT, such as Physician's services, inpatient and outpatient medical and surgical services and supplies, physical and speech therapy, diagnostic tests, durable medical equipment			
First [\$155] of Medicare Approved Amounts*	\$0	\$0	[\$155] (Part B Deductible)
Remainder of Medicare Approved Amounts	Generally 80%	Generally 20%	\$0
Part B Excess Charges (Above Medicare Approved Amounts)	\$0	\$0	All Costs
BLOOD			
First 3 pints	\$0	All Costs	\$0
Next [\$155] of Medicare Approved Amounts*	\$0	\$0	[\$155] (Part B Deductible)
Remainder of Medicare Approved Amounts	80%	20%	\$0
CLINICAL LABORATORY SERVICES – TESTS FOR DIAGNOSTIC SERVICES	100%	\$0	\$0

**PARTS A & B**

HOME HEALTH CARE MEDICARE APPROVED SERVICES			
– Medically necessary skilled care services and medical supplies	100%	\$0	\$0
– Durable medical equipment			
First [\$155] of Medicare Approved Amounts*	\$0	\$0	[\$155] (Part B Deductible)
Remainder of Medicare Approved Amounts	80%	20%	\$0

**PLAN F or HIGH DEDUCTIBLE PLAN F  
MEDICARE (PART A) – HOSPITAL SERVICES – PER BENEFIT PERIOD**

- \* A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.
- \*\* This high deductible plan pays the same benefits as Plan F after one has paid a calendar year [\$2000] deductible. Benefits from the high deductible plan F will not begin until out-of-pocket expenses are [\$2000]. Out-of-pocket expenses for this deductible are expenses that would ordinarily be paid by the policy. This includes the Medicare deductibles for Part A and Part B, but does not include the plan's separate foreign travel emergency deductible.

SERVICES	MEDICARE PAYS	AFTER YOU PAY [\$2000] DEDUCTIBLE, ** PLAN PAYS	IN ADDITION TO [\$2000] DEDUCTIBLE, ** YOU PAY
<b>HOSPITALIZATION *</b>			
Semiprivate room and board, general nursing and miscellaneous services and supplies			
First 60 days	All but [\$1100]	[\$1100] (Part A Deductible)	\$0
61st thru 90th day	All but [\$275] a day	[\$275] a day	\$0
91st day and after:			
– While using 60 lifetime reserve days	All but [\$550] a day	[\$550] a day	\$0
Once lifetime reserve days are used:			
– Additional 365 days	\$0	100% of Medicare Eligible Expenses	\$0 ***
– Beyond the Additional 365 days	\$0	\$0	All Costs
<b>SKILLED NURSING FACILITY CARE *</b>			
You must meet Medicare's requirements, including having been in a hospital for at least 3 days and entered a Medicare approved facility within 30 days after leaving the hospital			
First 20 days	All approved amounts	\$0	\$0
21st thru 100th day	All but [\$137.50] a day	Up to [\$137.50] a day	\$0
101st day and after	\$0	\$0	All Costs
<b>BLOOD</b>			
First 3 pints	\$0	3 pints	\$0
Additional Amounts	100%	\$0	\$0
<b>HOSPICE CARE</b>			
You must meet Medicare's requirements, including a doctor's certification of terminal illness	All but very limited copayment/ coinsurance for outpatient drugs and inpatient respite care	Medicare copayment/ coinsurance	\$0

\*\*\* **NOTICE:** When your Medicare Part A hospital benefits are exhausted, the insurer stands in the place of Medicare and will pay whatever amount Medicare would have paid for up to an additional 365 days as provided in the policy's "Core Benefits." During this time the hospital is prohibited from billing you the balance based on any difference between its billed charges and the amount Medicare would have paid.

**PLAN F or HIGH DEDUCTIBLE PLAN F  
MEDICARE (PART B) – MEDICAL SERVICES – PER CALENDAR YEAR**

- \* Once you have been billed [\$155] of Medicare-Approved amounts for covered services (which are noted with an asterisk), your Part B Deductible will have been met for the calendar year.
- \*\* This high deductible plan pays the same benefits as Plan F after one has paid a calendar year [\$2000] deductible. Benefits from the high deductible plan F will not begin until out-of-pocket expenses are [\$2000]. Out-of-pocket expenses for this deductible are expenses that would ordinarily be paid by the policy. This includes the Medicare deductibles for Part A and Part B, but does not include the plan's separate foreign travel emergency deductible.

SERVICES	MEDICARE PAYS	AFTER YOU PAY [\$2000] DEDUCTIBLE, ** PLAN PAYS	IN ADDITION TO [\$2000] DEDUCTIBLE, ** YOU PAY
MEDICAL EXPENSES – IN OR OUT OF THE HOSPITAL AND OUTPATIENT HOSPITAL TREATMENT, such as Physician's services, inpatient and outpatient medical and surgical services and supplies, physical and speech therapy, diagnostic tests, durable medical equipment			
First [\$155] of Medicare Approved Amounts*	\$0	[\$155] (Part B Deductible)	\$0
Remainder of Medicare Approved Amounts	Generally 80%	Generally 20%	\$0
Part B Excess Charges (Above Medicare Approved Amounts)	\$0	100%	\$0
BLOOD			
First 3 pints	\$0	All Costs	\$0
Next [\$155] of Medicare Approved Amounts*	\$0	[\$155] (Part B Deductible)	\$0
Remainder of Medicare Approved Amounts	80%	20%	\$0
CLINICAL LABORATORY SERVICES – TESTS FOR DIAGNOSTIC SERVICES	100%	\$0	\$0

**PARTS A & B**

HOME HEALTH CARE MEDICARE APPROVED SERVICES			
– Medically necessary skilled care services and medical supplies	100%	\$0	\$0
– Durable medical equipment			
First [\$155] of Medicare Approved Amounts*	\$0	[\$155] (Part B Deductible)	\$0
Remainder of Medicare Approved Amounts	80%	20%	\$0

**OTHER BENEFITS – NOT COVERED BY MEDICARE**

FOREIGN TRAVEL – NOT COVERED BY MEDICARE			
Medically necessary emergency care services beginning during the first 60 days of each trip outside the USA			
First \$250 each calendar year	\$0	\$0	\$250
Remainder of Charges	\$0	80% to a lifetime maximum benefit of \$50,000	20% and amounts over the \$50,000 lifetime maximum

**LIBERTY NATIONAL LIFE INSURANCE COMPANY**  
P.O. BOX 8080, MCKINNEY, TEXAS 75070 (972) 529-5085  
A Legal Reserve Stock Company • Administrative Offices: McKinney, Texas

Benefit Chart of Medicare Supplement Plans Sold on or After June 1, 2010

Benefit Plan B

This chart shows the benefits included in each of the standard Medicare supplement plans. Every company must make Plan "A" available. Some plans may not be available in your state.

Plans E, H, I, and J are no longer available for sale.

**BASIC BENEFITS:**

Hospitalization: Part A coinsurance plus coverage for 365 additional days after Medicare benefits end.

Medical Expenses: Part B coinsurance (generally 20% of Medicare-approved expenses) or copayments for hospital outpatient services. Plans K, L and N require insureds to pay a portion of the Part B coinsurance or copayments.

Blood: First three pints of blood each year.

Hospice: Part A coinsurance.

<b>A</b>	<b>B*</b>	<b>C</b>	<b>D</b>	<b>F</b>	<b>F**</b>	<b>G</b>	<b>K</b>	<b>L</b>	<b>M</b>	<b>N</b>
Basic, including 100% Part B coinsurance		Basic, including 100% Part B coinsurance	Hospitalization and preventive care paid at 100%; other basic benefits paid at 50%	Hospitalization and preventive care paid at 100%; other basic benefits paid at 75%	Basic, including 100% Part B coinsurance	Basic, including 100% Part B coinsurance, except up to \$20 copayment for office visit, and up to \$50 copayment for ER				
		Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance		Skilled Nursing Facility Coinsurance	50% Skilled Nursing Facility Coinsurance	75% Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance
	Part A Deductible	Part A Deductible	Part A Deductible	Part A Deductible		Part A Deductible	50% Part A Deductible	75% Part A Deductible	50% Part A Deductible	Part A Deductible
		Part B Deductible		Part B Deductible						
				Part B Excess (100%)		Part B Excess (100%)				
		Foreign Travel Emergency	Foreign Travel Emergency	Foreign Travel Emergency		Foreign Travel Emergency			Foreign Travel Emergency	Foreign Travel Emergency
							Out-of-pocket limit \$[4620]; paid at 100% after limit reached	Out-of-pocket limit \$[2310]; paid at 100% after limit reached		

\* Denotes plans available by Liberty National Life Insurance Company.

\*\* Plan F also has an option called a high deductible Plan F. This high deductible plan pays the same benefits as Plan F after one has paid a calendar year [\$2000] deductible. Benefits from high deductible Plan F will not begin until out-of-pocket expenses exceed [\$2000]. Out-of-pocket expenses for this deductible are expenses that would ordinarily be paid by the policy. These expenses include the Medicare deductibles for Part A and Part B, but do not include the plan's separate foreign travel emergency deductible.

## **PREMIUM INFORMATION**

We, United American Insurance Company, can only raise your premium if we raise the premium for all policies like yours in this State.

## **DISCLOSURES**

This outline shows benefits and premiums of policies sold for effective dates on or after June 1, 2010. Policies sold for effective dates prior to June 1, 2010 have different benefits and premiums. Plans E, H, I, and J are no longer available for sale.

## **READ YOUR POLICY VERY CAREFULLY**

This is only an Outline describing your policy's most important features. The policy is your insurance contract. You must read the policy itself to understand all of the rights and duties of both you and your insurance company.

## **RIGHT TO RETURN POLICY**

If you find that you are not satisfied with your policy, you may return it to Liberty National Life Insurance Company, P.O. Box 8080, McKinney, Texas 75070. If you send the policy back to us within 30 days after you receive it, we will treat the policy as if it had never been issued and return all of your payments.

## **POLICY REPLACEMENT**

If you are replacing another health insurance policy, do NOT cancel it until you have actually received your new policy and are sure you want to keep it.

## **NOTICE**

This policy may not fully cover all your medical cost.

Neither Liberty National Life Insurance Company nor its agents are connected with Medicare.

This Outline of Coverage does not give all the details of Medicare coverage. Contact your local Social Security Office or consult *Medicare and You* for more details.

## **COMPLETE ANSWERS ARE VERY IMPORTANT**

When you fill out the application for the new policy, be sure to answer truthfully and completely all questions about your medical and health history. The Company may cancel your policy and refuse to pay claims if you leave out or falsify important medical information.

Review the application carefully before you sign it. Be certain that all information has been properly recorded.

## **RENEWABILITY**

This policy is guaranteed renewable for life. We have the right to change the renewal premiums for this policy in accordance with our table of premium rates applicable to all policies of this form and class. This policy provides a 31-day grace period.

## Liberty National Life Insurance Company Medicare Supplement Rates

PLAN	Annual	Semi Annual	Quarterly	Monthly	Plan Code	Effective Date
DMSB	4380	2190	1095	365	YF8 / ZF8	01-01-10

**PLAN B**  
**MEDICARE (PART A) – HOSPITAL SERVICES – PER BENEFIT PERIOD**

\* A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
<b>HOSPITALIZATION *</b> Semiprivate room and board, general nursing and miscellaneous services and supplies			
First 60 days	All but [\$1100]	[\$1100] (Part A Deductible)	\$0
61st thru 90th day	All but [\$275] a day	[\$275] a day	\$0
91st day and after:			
– While using 60 lifetime reserve days	All but [\$550] a day	[\$550] a day	\$0
Once lifetime reserve days are used:			
– Additional 365 days	\$0	100% of Medicare Eligible Expenses	\$0 **
– Beyond the Additional 365 days	\$0	\$0	All Costs
<b>SKILLED NURSING FACILITY CARE *</b> You must meet Medicare’s requirements, including having been in a hospital for at least 3 days and entered a Medicare approved facility within 30 days after leaving the hospital			
First 20 days	All approved amounts	\$0	\$0
21st thru 100th day	All but [\$137.50] a day	\$0	Up to [\$137.50] a day
101st day and after	\$0	\$0	All Costs
<b>BLOOD</b>			
First 3 pints	\$0	3 pints	\$0
Additional Amounts	100%	\$0	\$0
<b>HOSPICE CARE</b> You must meet Medicare’s requirements, including a doctor’s certification of terminal illness	All but very limited copayment/ coinsurance for outpatient drugs and inpatient respite care	Medicare copayment/ coinsurance	\$0

\*\* **NOTICE:** When your Medicare Part A hospital benefits are exhausted, the insurer stands in the place of Medicare and will pay whatever amount Medicare would have paid for up to an additional 365 days as provided in the policy’s “Core Benefits.” During this time the hospital is prohibited from billing you the balance based on any difference between its billed charges and the amount Medicare would have paid.

**PLAN B**  
**MEDICARE (PART B) – MEDICAL SERVICES – PER CALENDAR YEAR**

\* Once you have been billed [\$155] of Medicare-Approved amounts for covered services (which are noted with an asterisk), your Part B Deductible will have been met for the calendar year.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
MEDICAL EXPENSES – IN OR OUT OF THE HOSPITAL AND OUTPATIENT HOSPITAL TREATMENT, such as Physician's services, inpatient and outpatient medical and surgical services and supplies, physical and speech therapy, diagnostic tests, durable medical equipment			
First [\$155] of Medicare Approved Amounts*	\$0	\$0	[\$155] (Part B Deductible)
Remainder of Medicare Approved Amounts	Generally 80%	Generally 20%	\$0
Part B Excess Charges (Above Medicare Approved Amounts)	\$0	\$0	All Costs
BLOOD			
First 3 pints	\$0	All Costs	\$0
Next [\$155] of Medicare Approved Amounts*	\$0	\$0	[\$155] (Part B Deductible)
Remainder of Medicare Approved Amounts	80%	20%	\$0
CLINICAL LABORATORY SERVICES – TESTS FOR DIAGNOSTIC SERVICES	100%	\$0	\$0

**PARTS A & B**

HOME HEALTH CARE MEDICARE APPROVED SERVICES			
– Medically necessary skilled care services and medical supplies	100%	\$0	\$0
– Durable medical equipment			
First [\$155] of Medicare Approved Amounts*	\$0	\$0	[\$155] (Part B Deductible)
Remainder of Medicare Approved Amounts	80%	20%	\$0

SERFF Tracking Number: AMLC-126370833 State: Arkansas  
 Filing Company: Liberty National Life Insurance Company State Tracking Number: 43976  
 Company Tracking Number: LMSA10, ET. AL.  
 TOI: MS08I Individual Medicare Supplement - Sub-TOI: MS08I.001 Plan A 2010  
 Standard Plans 2010  
 Product Name: Medicare Supplement Policy Form  
 Project Name/Number: LMSA10, et. al./LMSA10, et. al

## Superseded Schedule Items

Please note that all items on the following pages are items, which have been replaced by a newer version. The newest version is located with the appropriate schedule on previous pages. These items are in date order with most recent first.

Creation Date:	Schedule	Schedule Item Name	Replacement Creation Date	Attached Document(s)
11/04/2009	Form	Medicare Supplement Policy	12/30/2009	LMSA10ar.pdf (Superceded)
11/04/2009	Form	Medicare Supplement Policy	12/30/2009	LMSB10ar.pdf (Superceded)
11/04/2009	Form	Medicare Supplement Policy	12/30/2009	LMSF10ar.pdf (Superceded)
12/30/2009	Supporting Document	Outline of Coverage	01/07/2010	DS-LMS2009(03).pdf (Superceded) DS-LDMS2010(03).pdf (Superceded)
11/04/2009	Supporting Document	Outline of Coverage	12/30/2009	DS-LMS2009(03).pdf (Superceded) DS-LDMS2010(03).pdf (Superceded)

NOTICE TO BUYER: This policy may not cover all of Your medical expenses.

**MEDICARE SUPPLEMENT POLICY**

**BENEFIT PLAN A**

**GUARANTEED RENEWABLE FOR LIFE. COMPANY CANNOT CANCEL POLICY. COMPANY MAY CHANGE PREMIUM RATES BY CLASS AND AS MEDICARE BENEFITS CHANGE AS PROVIDED IN THE GUARANTEED RENEWAL PROVISION.**

**LIBERTY NATIONAL LIFE INSURANCE COMPANY**

**P.O. BOX 8080 \* MCKINNEY, TEXAS 75070 (972) 529-5085**

**A Legal Reserve Stock Company \* Administrative Offices: McKinney, Texas**

**30 DAY RIGHT TO EXAMINE POLICY**

If You are not satisfied with this policy for any reason, return it to Our Administrative Offices or to the agent within 30 days after You receive it. Any premium You paid will be refunded. The policy will be void from the beginning. It will be as if no policy had been issued.

**GUARANTEED RENEWAL PROVISION**

You can renew and continue this policy in force during Your lifetime, for successive renewal terms by paying appropriate renewal premiums before the end of the grace period. The appropriate renewal premiums will be those under Our applicable table of premium rates that is in effect on the respective due dates of such premiums.

We have the right to change the renewal premiums for this policy when We change, and in accordance with, Our table of premium rates applicable to all policies of this form and class. **Class is based on year of issue, age at issue, area of the state in which You resided at issue, and underwriting group at issue for policyholders of this form in Your state.** Your premiums may also be increased due to increasing health care costs for all policies in Your class.

The benefits provided by this policy which are designed to cover cost sharing amounts under Medicare will change automatically to coincide with any applicable changes in the deductible and/or Coinsurance amounts which You are required to pay under Medicare. The renewal premiums for this policy may change on the renewal date following the effective date of any such applicable change. Any such premium change will be based on the actuarial computations which We then use to determine the renewal premium.

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**POLICY SCHEDULE**

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<b>INSURED</b>	<b>POLICY NUMBER</b>	<b>EFFECTIVE DATE</b>	<b>INITIAL TERM EXPIRES ON</b>	<b>INITIAL PREMIUM</b>
[John Doe]	[0000000]	[06-01-10]	[06-01-11]	[\$0]

If this policy is a replacement of an existing policy the “PRE-EXISTING CONDITIONS LIMITATIONS PROVISION” does not apply.

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### PRE-EXISTING CONDITIONS LIMITATIONS PROVISION

Loss due to a Pre-Existing Condition is not covered unless the loss is incurred more than 60 days after the policy effective date.

If You have a Pre-Existing Condition and qualify for open enrollment **or** have had a continuous period of creditable coverage for at least 60 days, We cannot exclude coverage based on the Pre-Existing Condition. If the period of creditable coverage is less than 60 days, We will give credit for the amount of time of creditable coverage You have had towards fulfilling the Pre-Existing Condition exclusion period.

If You are an Eligible Person who applied to enroll under this Medicare supplement policy not later than 63 days after the date of the termination or disenrollment, and who submitted evidence of the date of termination or disenrollment with the application, the Pre-Existing Conditions Limitations Provision will not apply.

### THE INSURING CLAUSE

The Company insures You against specified losses incurred by You. Benefits stated in this policy, subject to all its provisions, limitations and exclusions, will be paid for the losses which are incurred while this policy is in force.

### EXTENDED BENEFIT PROVISION

Termination of the policy shall be without prejudice to any continuous loss which commenced while the policy was in force, but the extension of benefits beyond the period during which the policy was in force may be conditioned upon the continuous total disability of the Insured, limited to the duration of the policy benefit period, if any, or payment of the maximum benefits. Receipt of Medicare Part D benefits will not be considered in determining a continuous loss.

### DEFINITIONS

Where used in this policy:

**BENEFIT PERIOD** means the unit of time used in the Medicare program to measure use of services and availability of services under Medicare Part A hospital insurance.

**CALENDAR YEAR** means the period beginning on each January 1 and ending on the following December 31.

**COINSURANCE AMOUNTS** means the portion of Medicare approved expense You are obligated to pay but not including the Medicare Part A inpatient hospital deductible or Part B Calendar Year deductible.

**CONTINUOUS PERIOD OF CREDITABLE COVERAGE** means the period during which an individual was covered by creditable coverage, if during the period of the coverage the individual had no breaks in coverage greater than sixty-three (63) days.

**CREDITABLE COVERAGE** means coverage of an individual provided by any of the following:

1. A group health plan;
2. Health insurance coverage;
3. Part A or Part B of Title XVIII of the Social Security Act (Medicare);
4. Title XIX of the Social Security Act (Medicaid), other than coverage consisting solely of benefits under Section 1928;
5. Chapter 55 of Title 10 United States Code (CHAMPUS);
6. A medical care program of the Indian Health Service or of a tribal organization;
7. A state health benefits risk pool;
8. A health plan offered under Chapter 89 of Title 5 United States Code (Federal Employees Health Benefits Program);
9. A public health plan as defined in federal regulation; and
10. A health benefit plan under Section 5(e) of the Peace Corps Act (22 United States Code 2504(e)).

**ELIGIBLE PERSON** means a person who submits evidence of the date of termination, disenrollment, or Medicare Part D enrollment as applies under the following plans: (1) Employee Welfare Benefit Plan; (2) Medicare Advantage plan; (3) Medicare Select Plan, Medicare Risk or Cost Plan, or Medicare HMO plan; or (4) Medicare supplement policy.

**HOSPITAL** means a lawfully operated hospital which has been accredited by the Joint Commission on Accreditation of Hospitals.

**HOSPITAL STAY** means one day or more of confinement within a hospital, as a resident patient under the care of a Physician, due to Injury or Sickness.

**INJURY** means accidental bodily injury which is sustained while this policy is in force and includes all injuries resulting from one accident.

**MEDICARE** means the Health Insurance for the Aged Act, Title XVIII of the Social Security Amendments of 1965, as then constituted or later amended.

**MEDICARE ADVANTAGE PLAN** means a plan of coverage for health benefits under Medicare Part C as defined in 42 U.S.C. 1395w-28(b)(1), and includes: (1) Coordinated care plans which provide health care services, including but not limited to health maintenance organization plans (with or without a point-of-service option), plans offered by provider-sponsored organizations, and preferred provider organization plans; (2) Medical savings account plans coupled with a contribution into a Medicare Advantage plan medical savings account; and (3) Medicare Advantage private fee-for-service plans.

**MEDICARE ELIGIBLE EXPENSES** means expenses of the kinds covered by Medicare Parts A and B, to the extent recognized as reasonable and medically necessary by Medicare.

**PHYSICIAN** means a person legally licensed to treat Injury or Sickness, other than You or any member of Your immediate family.

**PRE-EXISTING CONDITION** means an Injury sustained or Sickness first manifesting itself prior to the policy effective date for which medical advice or treatment was recommended or given by a Physician within 6 months prior to the policy effective date.

**SICKNESS** means illness or disease of an insured person which first manifests itself after the effective date of insurance and while this policy is in force.

**WE, US, OUR and COMPANY** mean the Liberty National Life Insurance Company.

**YOU, YOUR, YOURS and INSURED** mean the person whose name is shown in the Policy Schedule.

## **BASIC CORE BENEFITS**

### **PART 1 BENEFITS FOR HOSPITAL STAYS - MEDICARE PART A**

We will pay the following benefits when You have a Hospital Stay for which benefits are paid by Medicare Part A:

- 1) Coverage of Part A Medicare Eligible Expenses for hospitalization to the extent not covered by Medicare from the 61st day through the 90th day in any Medicare benefit period;
- 2) Coverage of Part A Medicare Eligible Expenses incurred for hospitalization to the extent not covered by Medicare for each Medicare lifetime reserve day used; and
- 3) Upon exhaustion of the Medicare hospital inpatient coverage, including the lifetime reserve days, coverage of 100% of the Medicare Part A eligible expenses for hospitalization paid at the applicable prospective payment system (PPS) rate, or other appropriate Medicare standard of payment, subject to a lifetime maximum benefit of an additional 365 days. The provider shall accept the issuer's payment as payment in full and may not bill the insured for any balance.

### **PART 2 MEDICARE BLOOD DEDUCTIBLE BENEFIT**

We will pay the expense You incur for coverage under Medicare Parts A and B for the reasonable cost of the first 3 pints of blood (or equivalent quantities of packed red blood cells, as defined under Federal regulations), unless replaced in accordance with Federal regulations.

### **PART 3 BENEFITS FOR MEDICAL EXPENSE - MEDICARE PART B**

If You incur a medical expense that is eligible under Medicare Part B, We will pay the following benefit for the Medicare approved charge:

Coverage for the coinsurance amount, or in the case of hospital outpatient department services paid under a prospective payment system, the copayment amount, of Medicare Eligible Expenses under Part B regardless of hospital confinement, subject to the Medicare Part B deductible.

Under this PART 3 of this policy, We will not pay benefits for (a) the Medicare Part B blood deductible for which benefits are paid under PART 2 of this policy, or (b) any portion of the Medicare Part B Calendar Year deductible.

### **PART 4 HOSPICE CARE BENEFIT**

We will pay the expense You incur for cost sharing for all Part A Medicare eligible hospice care and respite care expenses.

### **PART 5 LIMITATIONS AND EXCLUSIONS**

We will not pay benefits under this policy for:

- 1) Any expense which You are not legally obligated to pay; or
- 2) Any services that are not medically necessary as determined by Medicare or are not furnished at the direction of and under the supervision of a Physician; or
- 3) Any portion of any expense for which payment is made by Medicare; or
- 4) Custodial or intermediate level care, or rest cures; or
- 5) Any type of expense not eligible for coverage under Medicare.

## POLICY PROVISIONS

**PREMIUM PAYMENT:** This policy is issued based on the application and the payment of the first premium. A copy of the application is a part of this policy. This policy takes effect at 12 o'clock noon, Standard Time of the place where You reside, and remains in effect until the same hour on the date on which the initial term expires.

The effective date of this policy, the first premium and the date the initial term expires are shown in the POLICY SCHEDULE. All premiums, except the first premium, shall be due and payable at Our Administrative Offices.

**Upon Your death, We will refund any premiums paid in Your behalf, for any period beyond the ending of the policy month the death occurred, within 30 days after We receive proof of death.**

**If death is due to Injury and this policy provides for the refund of premiums for death due to Injury, only one benefit will be paid, the largest.**

**ENTIRE CONTRACT; CHANGES:** This policy, with the application and attached papers, is the entire contract between You and Us. No change in this policy will be effective until approved by Us. This approval must be noted on or attached to this policy.

No agent may change this policy or waive any of its provisions.

**TIME LIMIT ON CERTAIN DEFENSES:** After 2 years from the effective date, only fraudulent misstatements in the application may be used to void this policy or deny any claim for loss incurred after the 2 year period.

No claim for loss incurred after 60 days from the effective date will be reduced or denied because a Sickness or physical condition had existed before the effective date of this policy.

**GRACE PERIOD:** This policy has a 31 day grace period. This means that if a renewal premium is not paid on or before the date it is due, it may be paid during the following 31 days. During the grace period this policy will stay in force.

**REINSTATEMENT:** If the renewal premium is not paid before the grace period ends, this policy will lapse. Later acceptance of the premium by Us (or by Our agent authorized to accept payment) without requiring an application for reinstatement will reinstate this policy.

If We or Our agent requires an application, this policy will be reinstated when We approve the application, or on the 45th day after We receive it unless We have previously written You of its disapproval.

The reinstated policy will cover only loss that results from an Injury sustained after the date of reinstatement or Sickness that starts more than 10 days after such date. In all other respects Your rights and Our rights will remain the same, subject to any provisions noted on or attached to the reinstated policy.

**SUSPENSION OF COVERAGE WHILE ENTITLED TO MEDICAID:** By written notice to Us, You may request that benefits and premiums for You under this policy be suspended for the period in which You have been determined to be entitled to Medicaid. Written notice must be received by Us within 90 days after the date You become entitled to Medicaid. After We have received such notice, We will return to You any portion of premiums paid for the period of suspension less any claims paid. The suspension period shall not exceed 24 months.

If Your entitlement to Medicaid ends, You must send Us written notice of the loss of such entitlement within 90 days and pay the premium attributable to the period, effective as of the date of termination of entitlement. We will reinstitute Your benefits and premiums under this policy as of the date Your entitlement ended. The reinstated coverage shall be the same as if no suspension has occurred.

**SUSPENSION OF COVERAGE WHILE ENTITLED TO BENEFITS UNDER A GROUP HEALTH PLAN:** By written notice to Us, You may request that benefits and premiums for You under this policy be suspended (for any period that may be provided by federal regulation) if You are entitled to benefits under Section 226(b) of the Social Security Act and are covered under a group health plan (as defined in Section 1862 (b)(1)(A)(v) of the Social Security Act). Written notice must be received by Us within 90 days after the date You become entitled to coverage under the group health plan. After We have received such notice, We will return to You any portion of premiums paid for the period of suspension less any claims paid.

If Your entitlement to coverage under the group health plan ends, You must send Us written notice of the loss of such entitlement within 90 days and pay the premium attributable to the period, effective as of the date of termination of enrollment in the group health plan. We will reinstitute Your benefits and premiums under this policy as of the date Your entitlement ended. The reinstated coverage shall be the same as if no suspension had occurred.

Reinstitution of these coverages: (1) Shall not provide for any waiting period with respect to treatment of Pre-Existing Conditions; (2) Shall provide for resumption of coverage that is substantially equivalent to coverage in effect before the date of suspension; and (3) Shall provide for classification of premiums on terms at least as favorable to the policyholder as the premium classification terms that would have applied to the policyholder had the coverage not been suspended.

**NOTICE OF CLAIM:** Written notice of claim must be given to Us within 20 days after a covered loss starts or as soon as reasonably possible. The notice can be given to Us at Our Administrative Offices in McKinney, Texas or to Our agent.

Notice should include Your name and Your Policy Number.

**CLAIM FORMS:** When We receive the notice of claim, We will send You any required forms for filing proof of loss, if applicable. If these forms are not given to You within 15 days, You will meet the proof of loss requirements by giving Us a written statement of the nature and extent of Your loss.

**PROOF OF LOSS:** You must give written proof of loss to Us within 6 months after the date of such loss. If it was not reasonably possible to give written proof in the time required, We will not reduce or deny the claim for this reason if the proof is filed as soon as reasonably possible. In any event, the proof required must be given no later than 1 year from the time specified unless You were legally incapacitated.

**TIME OF PAYMENT OF CLAIMS:** After receiving written proof of loss, We will pay all benefits then due for such loss.

**PAYMENT OF CLAIMS:** Any benefits unpaid at Your death may be paid, at Our option, either to Your beneficiary or Your estate. All other benefits will be paid to You.

If benefits are payable to Your estate or a beneficiary who cannot execute a valid release, We can pay benefits up to \$1,000.00 to someone related to You or the beneficiary by blood or marriage whom We consider to be entitled to the benefits. We will be discharged to the extent of any such payment made in good faith.

**PHYSICAL EXAMINATIONS:** We, at Our expense, have the right to have You examined as often as reasonably necessary while a claim is pending.

**LEGAL ACTIONS:** No legal action may be brought to recover on this policy within 60 days after written proof of loss has been given as required by this policy. No such action may be brought after 3 years from the time written proof of loss is required to be given.

**CONFORMITY WITH STATE STATUTES:** Any provision of this policy which, on its effective date, is in conflict with the laws of the state in which You reside on that date is amended to conform to the minimum requirements of such laws.

**ASSIGNMENT:** No assignment under this policy shall be binding upon Us unless the original (or a copy of it) is on file at Our Administrative Offices. We do not assume any responsibility for the validity of any assignment.

This policy is signed for Us by Our President and Secretary.



Secretary



President

Countersigned:

**IMPORTANT NOTICE**

**This notice is to advise You that, should any problems arise concerning this insurance, You may contact the following:**

**Consumer Service Department  
Liberty National Life Insurance Company  
P. O. Box 8080  
McKinney, Texas 75070  
Telephone: (972) 529-5085**

**Arkansas Insurance Department  
Consumer Services Division  
1200 West 3<sup>rd</sup> Street  
Little Rock, Arkansas 72201  
Telephone: (800) 852-5494 or  
(501) 371-2640**

**Agent's Name: \_\_\_\_\_**

**Agent's Address: \_\_\_\_\_**

**Telephone: \_\_\_\_\_**

\_\_\_\_\_

**NOTICE TO BUYER:** This policy may not cover all of Your medical expenses.

**MEDICARE SUPPLEMENT POLICY**

**BENEFIT PLAN B**

**GUARANTEED RENEWABLE FOR LIFE. COMPANY CANNOT CANCEL POLICY.  
COMPANY MAY CHANGE PREMIUM RATES BY CLASS AND AS MEDICARE BENEFITS  
CHANGE AS PROVIDED IN THE GUARANTEED RENEWAL PROVISION.**

**LIBERTY NATIONAL LIFE INSURANCE COMPANY**

**P.O. BOX 8080 \* MCKINNEY, TEXAS 75070 (972) 529-5085**

**A Legal Reserve Stock Company \* Administrative Offices: McKinney, Texas**

**30 DAY RIGHT TO EXAMINE POLICY**

If You are not satisfied with this policy for any reason, return it to Our Administrative Offices or to the agent within 30 days after You receive it. Any premium You paid will be refunded. The policy will be void from the beginning. It will be as if no policy had been issued.

**GUARANTEED RENEWAL PROVISION**

You can renew and continue this policy in force during Your lifetime, for successive renewal terms by paying appropriate renewal premiums before the end of the grace period. The appropriate renewal premiums will be those under Our applicable table of premium rates that is in effect on the respective due dates of such premiums.

We have the right to change the renewal premiums for this policy when We change, and in accordance with, Our table of premium rates applicable to all policies of this form and class. Class is based on year of issue, age at issue, area of the state in which You resided at issue, and underwriting group at issue for policyholders of this form in Your state. Your premiums may also be increased due to increasing health care costs for all policies in Your class.

The benefits provided by this policy which are designed to cover cost sharing amounts under Medicare will change automatically to coincide with any applicable changes in the deductible and/or Coinsurance amounts which You are required to pay under Medicare. The renewal premiums for this policy may change on the renewal date following the effective date of any such applicable change. Any such premium change will be based on the actuarial computations which We then use to determine the renewal premium.

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**POLICY SCHEDULE**

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<b>INSURED</b>	<b>POLICY NUMBER</b>	<b>EFFECTIVE DATE</b>	<b>INITIAL TERM EXPIRES ON</b>	<b>INITIAL PREMIUM</b>
[John Doe]	[0000000]	[06-01-10]	[06-01-11]	[\$0]

If this policy is a replacement of an existing policy the “PRE-EXISTING CONDITIONS LIMITATIONS PROVISION” does not apply.

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### PRE-EXISTING CONDITIONS LIMITATIONS PROVISION

Loss due to a Pre-Existing Condition is not covered unless the loss is incurred more than 60 days after the policy effective date.

If You have a Pre-Existing Condition and qualify for open enrollment or have had a continuous period of creditable coverage for at least 60 days, We cannot exclude coverage based on the Pre-Existing Condition. If the period of creditable coverage is less than 60 days, We will give credit for the amount of time of creditable coverage You have had towards fulfilling the Pre-Existing Condition exclusion period.

If You are an Eligible Person who applied to enroll under this Medicare supplement policy not later than 63 days after the date of the termination or disenrollment, and who submitted evidence of the date of termination or disenrollment with the application, the Pre-Existing Conditions Limitations Provision will not apply.

### THE INSURING CLAUSE

The Company insures You against specified losses incurred by You. Benefits stated in this policy, subject to all its provisions, limitations and exclusions, will be paid for the losses which are incurred while this policy is in force.

### EXTENDED BENEFIT PROVISION

Termination of the policy shall be without prejudice to any continuous loss which commenced while the policy was in force, but the extension of benefits beyond the period during which the policy was in force may be conditioned upon the continuous total disability of the Insured, limited to the duration of the policy benefit period, if any, or payment of the maximum benefits. Receipt of Medicare Part D benefits will not be considered in determining a continuous loss.

### DEFINITIONS

Where used in this policy:

**BENEFIT PERIOD** means the unit of time used in the Medicare program to measure use of services and availability of services under Medicare Part A hospital insurance.

**CALENDAR YEAR** means the period beginning on each January 1 and ending on the following December 31.

**COINSURANCE AMOUNTS** means the portion of Medicare approved expense You are obligated to pay but not including the Medicare Part A inpatient hospital deductible or Part B Calendar Year deductible.

**CONTINUOUS PERIOD OF CREDITABLE COVERAGE** means the period during which an individual was covered by creditable coverage, if during the period of the coverage the individual had no breaks in coverage greater than sixty-three (63) days.

**CREDITABLE COVERAGE** means coverage of an individual provided by any of the following:

1. A group health plan;
2. Health insurance coverage;
3. Part A or Part B of Title XVIII of the Social Security Act (Medicare);
4. Title XIX of the Social Security Act (Medicaid), other than coverage consisting solely of benefits under Section 1928;
5. Chapter 55 of Title 10 United States Code (CHAMPUS);
6. A medical care program of the Indian Health Service or of a tribal organization;
7. A state health benefits risk pool;
8. A health plan offered under Chapter 89 of Title 5 United States Code (Federal Employees Health Benefits Program);
9. A public health plan as defined in federal regulation; and
10. A health benefit plan under Section 5(e) of the Peace Corps Act (22 United States Code 2504(e)).

**ELIGIBLE PERSON** means a person who submits evidence of the date of termination, disenrollment, or Medicare Part D enrollment as applies under the following plans: (1) Employee Welfare Benefit Plan; (2) Medicare Advantage plan; (3) Medicare Select Plan, Medicare Risk or Cost Plan, or Medicare HMO plan; or (4) Medicare supplement policy.

**HOSPITAL** means a lawfully operated hospital which has been accredited by the Joint Commission on Accreditation of Hospitals.

**HOSPITAL STAY** means one day or more of confinement within a hospital, as a resident patient under the care of a Physician, due to Injury or Sickness.

**INJURY** means accidental bodily injury which is sustained while this policy is in force and includes all injuries resulting from one accident.

**MEDICARE** means the Health Insurance for the Aged Act, Title XVIII of the Social Security Amendments of 1965, as then constituted or later amended.

**MEDICARE ADVANTAGE PLAN** means a plan of coverage for health benefits under Medicare Part C as defined in 42 U.S.C. 1395w-28(b)(1), and includes: (1) Coordinated care plans which provide health care services, including but not limited to health maintenance organization plans (with or without a point-of-service option), plans offered by provider-sponsored organizations, and preferred provider organization plans; (2) Medical savings account plans coupled with a contribution into a Medicare Advantage plan medical savings account; and (3) Medicare Advantage private fee-for-service plans.

**MEDICARE ELIGIBLE EXPENSES** means expenses of the kinds covered by Medicare Parts A and B, to the extent recognized as reasonable and medically necessary by Medicare.

**PHYSICIAN** means a person legally licensed to treat Injury or Sickness, other than You or any member of Your immediate family.

**PRE-EXISTING CONDITION** means an Injury sustained or Sickness first manifesting itself prior to the policy effective date for which medical advice or treatment was recommended or given by a Physician within 6 months prior to the policy effective date.

**SICKNESS** means illness or disease of an insured person which first manifests itself after the effective date of insurance and while this policy is in force.

**WE, US, OUR and COMPANY** mean the Liberty National Life Insurance Company.

**YOU, YOUR, YOURS and INSURED** mean the person whose name is shown in the Policy Schedule.

## **BASIC CORE BENEFITS**

### **PART 1                    BENEFITS FOR HOSPITAL STAYS - MEDICARE PART A**

We will pay the following benefits when You have a Hospital Stay for which benefits are paid by Medicare Part A:

- 1) Coverage of Part A Medicare Eligible Expenses for hospitalization to the extent not covered by Medicare from the 61st day through the 90th day in any Medicare benefit period;
- 2) Coverage of Part A Medicare Eligible Expenses incurred for hospitalization to the extent not covered by Medicare for each Medicare lifetime reserve day used; and
- 3) Upon exhaustion of the Medicare hospital inpatient coverage, including the lifetime reserve days, coverage of 100% of the Medicare Part A eligible expenses for hospitalization paid at the applicable prospective payment system (PPS) rate, or other appropriate Medicare standard of payment, subject to a lifetime maximum benefit of an additional 365 days. The provider shall accept the issuer's payment as payment in full and may not bill the insured for any balance.

### **PART 2                    MEDICARE BLOOD DEDUCTIBLE BENEFIT**

We will pay the expense You incur for coverage under Medicare Parts A and B for the reasonable cost of the first 3 pints of blood (or equivalent quantities of packed red blood cells, as defined under Federal regulations), unless replaced in accordance with Federal regulations.

### **PART 3                    BENEFITS FOR MEDICAL EXPENSE - MEDICARE PART B**

If You incur a medical expense that is eligible under Medicare Part B, We will pay the following benefit for the Medicare approved charge:

Coverage for the coinsurance amount, or in the case of hospital outpatient department services paid under a prospective payment system, the copayment amount, of Medicare Eligible Expenses under Part B regardless of hospital confinement, subject to the Medicare Part B deductible.

Under this PART 3 of this policy, We will not pay benefits for (a) the Medicare Part B blood deductible for which benefits are paid under PART 2 of this policy, or (b) any portion of the Medicare Part B Calendar Year deductible.

### **PART 4                    HOSPICE CARE BENEFIT**

We will pay the expense You incur for cost sharing for all Part B Medicare eligible hospice care and respite care expenses.

## **ADDITIONAL BENEFITS**

### **PART 5                    MEDICARE PART A DEDUCTIBLE BENEFIT**

We will pay the expense You incur for all of the Medicare Part A Inpatient hospital deductible amount per Benefit Period.

### **PART 6                    LIMITATIONS AND EXCLUSIONS**

We will not pay benefits under this policy for:

- 1) Any expense which You are not legally obligated to pay; or
- 2) Any services that are not medically necessary as determined by Medicare or are not furnished at the direction of and under the supervision of a Physician; or
- 3) Any portion of any expense for which payment is made by Medicare; or
- 4) Custodial or intermediate level care, or rest cures; or
- 5) Any type of expense not eligible for coverage under Medicare.

## POLICY PROVISIONS

**PREMIUM PAYMENT:** This policy is issued based on the application and the payment of the first premium. A copy of the application is a part of this policy. This policy takes effect at 12 o'clock noon, Standard Time of the place where You reside, and remains in effect until the same hour on the date on which the initial term expires.

The effective date of this policy, the first premium and the date the initial term expires are shown in the POLICY SCHEDULE. All premiums, except the first premium, shall be due and payable at Our Administrative Offices.

Upon Your death, We will refund any premiums paid in Your behalf, for any period beyond the ending of the policy month the death occurred, within 30 days after We receive proof of death.

If death is due to Injury and this policy provides for the refund of premiums for death due to Injury, only one benefit will be paid, the largest.

**ENTIRE CONTRACT; CHANGES:** This policy, with the application and attached papers, is the entire contract between You and Us. No change in this policy will be effective until approved by Us. This approval must be noted on or attached to this policy.

No agent may change this policy or waive any of its provisions.

**TIME LIMIT ON CERTAIN DEFENSES:** After 2 years from the effective date, only fraudulent misstatements in the application may be used to void this policy or deny any claim for loss incurred after the 2 year period.

No claim for loss incurred after 60 days from the effective date will be reduced or denied because a Sickness or physical condition had existed before the effective date of this policy.

**GRACE PERIOD:** This policy has a 31 day grace period. This means that if a renewal premium is not paid on or before the date it is due, it may be paid during the following 31 days. During the grace period this policy will stay in force.

**REINSTATEMENT:** If the renewal premium is not paid before the grace period ends, this policy will lapse. Later acceptance of the premium by Us (or by Our agent authorized to accept payment) without requiring an application for reinstatement will reinstate this policy.

If We or Our agent requires an application, this policy will be reinstated when We approve the application, or on the 45th day after We receive it unless We have previously written You of its disapproval.

The reinstated policy will cover only loss that results from an Injury sustained after the date of reinstatement or Sickness that starts more than 10 days after such date. In all other respects Your rights and Our rights will remain the same, subject to any provisions noted on or attached to the reinstated policy.

**SUSPENSION OF COVERAGE WHILE ENTITLED TO MEDICAID:** By written notice to Us, You may request that benefits and premiums for You under this policy be suspended for the period in which You have been determined to be entitled to Medicaid. Written notice must be received by Us within 90 days after the date You become entitled to Medicaid. After We have received such notice, We will return to You any portion of premiums paid for the period of suspension less any claims paid. The suspension period shall not exceed 24 months.

If Your entitlement to Medicaid ends, You must send Us written notice of the loss of such entitlement within 90 days and pay the premium attributable to the period, effective as of the date of termination of entitlement. We will reinstitute Your benefits and premiums under this policy as of the date Your entitlement ended. The reinstated coverage shall be the same as if no suspension has occurred.

**SUSPENSION OF COVERAGE WHILE ENTITLED TO BENEFITS UNDER A GROUP HEALTH PLAN:** By written notice to Us, You may request that benefits and premiums for You under this policy be suspended (for any period that may be provided by federal regulation) if You are entitled to benefits under Section 226(b) of the Social Security Act and are covered under a group health plan (as defined in Section 1862 (b)(1)(A)(v) of the Social Security Act). Written notice must be received by Us within 90 days after the date You become entitled to coverage under the group health plan. After We have received such notice, We will return to You any portion of premiums paid for the period of suspension less any claims paid.

If Your entitlement to coverage under the group health plan ends, You must send Us written notice of the loss of such entitlement within 90 days and pay the premium attributable to the period, effective as of the date of termination of enrollment in the group health plan. We will reinstitute Your benefits and premiums under this policy as of the date Your entitlement ended. The reinstated coverage shall be the same as if no suspension had occurred.

Reinstitution of these coverages: (1) Shall not provide for any waiting period with respect to treatment of Pre-Existing Conditions; (2) Shall provide for resumption of coverage that is substantially equivalent to coverage in effect before the date of suspension; and (3) Shall provide for classification of premiums on terms at least as favorable to the policyholder as the premium classification terms that would have applied to the policyholder had the coverage not been suspended.

**NOTICE OF CLAIM:** Written notice of claim must be given to Us within 20 days after a covered loss starts or as soon as reasonably possible. The notice can be given to Us at Our Administrative Offices in McKinney, Texas or to Our agent.

Notice should include Your name and Your Policy Number.

**CLAIM FORMS:** When We receive the notice of claim, We will send You any required forms for filing proof of loss, if applicable. If these forms are not given to You within 15 days, You will meet the proof of loss requirements by giving Us a written statement of the nature and extent of Your loss.

**PROOF OF LOSS:** You must give written proof of loss to Us within 6 months after the date of such loss. If it was not reasonably possible to give written proof in the time required, We will not reduce or deny the claim for this reason if the proof is filed as soon as reasonably possible. In any event, the proof required must be given no later than 1 year from the time specified unless You were legally incapacitated.

**TIME OF PAYMENT OF CLAIMS:** After receiving written proof of loss, We will pay all benefits then due for such loss.

**PAYMENT OF CLAIMS:** Any benefits unpaid at Your death may be paid, at Our option, either to Your beneficiary or Your estate. All other benefits will be paid to You.

If benefits are payable to Your estate or a beneficiary who cannot execute a valid release, We can pay benefits up to \$1,000.00 to someone related to You or the beneficiary by blood or marriage whom We consider to be entitled to the benefits. We will be discharged to the extent of any such payment made in good faith.

**PHYSICAL EXAMINATIONS:** We, at Our expense, have the right to have You examined as often as reasonably necessary while a claim is pending.

**LEGAL ACTIONS:** No legal action may be brought to recover on this policy within 60 days after written proof of loss has been given as required by this policy. No such action may be brought after 3 years from the time written proof of loss is required to be given.

**CONFORMITY WITH STATE STATUTES:** Any provision of this policy which, on its effective date, is in conflict with the laws of the state in which You reside on that date is amended to conform to the minimum requirements of such laws.

**ASSIGNMENT:** No assignment under this policy shall be binding upon Us unless the original (or a copy of it) is on file at Our Administrative Offices. We do not assume any responsibility for the validity of any assignment.

This policy is signed for Us by Our President and Secretary.



Secretary



President

Countersigned:

Licensed Resident Agent where required by law.

**LIBERTY NATIONAL LIFE INSURANCE COMPANY**  
P.O. BOX 8080, MCKINNEY, TEXAS 75070 (972) 529-5085  
A Legal Reserve Stock Company • Administrative Offices: McKinney, Texas

Benefit Chart of Medicare Supplement Plans Sold on or After June 1, 2010

Benefit Plans A, B, F, HDF

This chart shows the benefits included in each of the standard Medicare supplement plans. Every company must make Plan "A" available. Some plans may not be available in your state.

Plans E, H, I, and J are no longer available for sale.

**BASIC BENEFITS:**

Hospitalization: Part A coinsurance plus coverage for 365 additional days after Medicare benefits end.

Medical Expenses: Part B coinsurance (generally 20% of Medicare-approved expenses) or copayments for hospital outpatient services. Plans K, L and N require insureds to pay a portion of the Part B coinsurance or copayments.

Blood: First three pints of blood each year.

Hospice: Part A coinsurance.

<b>A*</b>	<b>B*</b>	<b>C</b>	<b>D</b>	<b>F*</b>	<b>F**</b>	<b>G</b>	<b>K</b>	<b>L</b>	<b>M</b>	<b>N</b>
Basic, including 100% Part B coinsurance		Basic, including 100% Part B coinsurance	Hospitalization and preventive care paid at 100%; other basic benefits paid at 50%	Hospitalization and preventive care paid at 100%; other basic benefits paid at 75%	Basic, including 100% Part B coinsurance	Basic, including 100% Part B coinsurance, except up to \$20 copayment for office visit, and up to \$50 copayment for ER				
		Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance		Skilled Nursing Facility Coinsurance	50% Skilled Nursing Facility Coinsurance	75% Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance
	Part A Deductible	Part A Deductible	Part A Deductible	Part A Deductible		Part A Deductible	50% Part A Deductible	75% Part A Deductible	50% Part A Deductible	Part A Deductible
		Part B Deductible		Part B Deductible						
				Part B Excess (100%)		Part B Excess (100%)				
		Foreign Travel Emergency	Foreign Travel Emergency	Foreign Travel Emergency		Foreign Travel Emergency			Foreign Travel Emergency	Foreign Travel Emergency
							Out-of-pocket limit \$[4620]; paid at 100% after limit reached	Out-of-pocket limit \$[2310]; paid at 100% after limit reached		

\* Denotes plans available by Liberty National Life Insurance Company.

\*\* Plan F also has an option called a high deductible Plan F. This high deductible plan pays the same benefits as Plan F after one has paid a calendar year [\$2000] deductible. Benefits from high deductible Plan F will not begin until out-of-pocket expenses exceed [\$2000]. Out-of-pocket expenses for this deductible are expenses that would ordinarily be paid by the policy. These expenses include the Medicare deductibles for Part A and Part B, but do not include the plan's separate foreign travel emergency deductible.

## **DISCLOSURES**

This outline shows benefits and premiums of policies sold for effective dates on or after June 1, 2010. Policies sold for effective dates prior to June 1, 2010 have different benefits and premiums. Plans E, H, I, and J are no longer available for sale.

### **READ YOUR POLICY VERY CAREFULLY**

This is only an Outline describing your policy's most important features. The policy is your insurance contract. You must read the policy itself to understand all of the rights and duties of both you and your insurance company.

### **RIGHT TO RETURN POLICY**

If you find that you are not satisfied with your policy, you may return it to Liberty National Life Insurance Company, P.O. Box 8080, McKinney, Texas 75070. If you send the policy back to us within 30 days after you receive it, we will treat the policy as if it had never been issued and return all of your payments.

### **POLICY REPLACEMENT**

If you are replacing another health insurance policy, do NOT cancel it until you have actually received your new policy and are sure you want to keep it.

## **NOTICE**

This policy may not fully cover all your medical cost.

Neither Liberty National Life Insurance Company nor its agents are connected with Medicare.

This Outline of Coverage does not give all the details of Medicare coverage. Contact your local Social Security Office or consult *Medicare and You* for more details.

### **COMPLETE ANSWERS ARE VERY IMPORTANT**

When you fill out the application for the new policy, be sure to answer truthfully and completely all questions about your medical and health history. The Company may cancel your policy and refuse to pay claims if you leave out or falsify important medical information.

Review the application carefully before you sign it. Be certain that all information has been properly recorded.

### **RENEWABILITY**

This policy is guaranteed renewable for life. We have the right to change the renewal premiums for this policy in accordance with our table of premium rates applicable to all policies of this form and class. This policy provides a 31-day grace period.

## Liberty National Life Insurance Company Medicare Supplement Rates

PLAN	Annual	Semi Annual	Quarterly	Monthly	Plan Code	Effective Date
A	1660	830	415	138	YA8	01-01-10
B	2430	1215	608	203	YB8	01-01-10
F	2798	1399	700	233	YC8	01-01-10
HDF	1000	500	250	83	YD8	01-01-10

**PLAN A**  
**MEDICARE (PART A) – HOSPITAL SERVICES – PER BENEFIT PERIOD**

\* A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
<b>HOSPITALIZATION *</b> Semiprivate room and board, general nursing and miscellaneous services and supplies			
First 60 days	All but [\$1100]	\$0	[\$1100] (Part A Deductible)
61st thru 90th day	All but [\$275] a day	[\$275] a day	\$0
91st day and after:			
– While using 60 lifetime reserve days	All but [\$550] a day	[\$550] a day	\$0
Once lifetime reserve days are used:			
– Additional 365 days	\$0	100% of Medicare Eligible Expenses	\$0 **
– Beyond the Additional 365 days	\$0	\$0	All Costs
<b>SKILLED NURSING FACILITY CARE *</b> You must meet Medicare’s requirements, including having been in a hospital for at least 3 days and entered a Medicare approved facility within 30 days after leaving the hospital			
First 20 days	All approved amounts	\$0	\$0
21st thru 100th day	All but [\$137.50] a day	\$0	Up to [\$137.50] a day
101st day and after	\$0	\$0	All Costs
<b>BLOOD</b>			
First 3 pints	\$0	3 pints	\$0
Additional Amounts	100%	\$0	\$0
<b>HOSPICE CARE</b> You must meet Medicare’s requirements, including a doctor’s certification of terminal illness	All but very limited copayment/ coinsurance for outpatient drugs and inpatient respite care	Medicare copayment/ coinsurance	\$0

\*\* **NOTICE:** When your Medicare Part A hospital benefits are exhausted, the insurer stands in the place of Medicare and will pay whatever amount Medicare would have paid for up to an additional 365 days as provided in the policy’s “Core Benefits.” During this time the hospital is prohibited from billing you the balance based on any difference between its billed charges and the amount Medicare would have paid.

**PLAN A**  
**MEDICARE (PART B) – MEDICAL SERVICES – PER CALENDAR YEAR**

\* Once you have been billed [\$155] of Medicare-Approved amounts for covered services (which are noted with an asterisk), your Part B Deductible will have been met for the calendar year.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
MEDICAL EXPENSES – IN OR OUT OF THE HOSPITAL AND OUTPATIENT HOSPITAL TREATMENT, such as Physician's services, inpatient and outpatient medical and surgical services and supplies, physical and speech therapy, diagnostic tests, durable medical equipment			
First [\$155] of Medicare Approved Amounts*	\$0	\$0	[\$155] (Part B Deductible)
Remainder of Medicare Approved Amounts	Generally 80%	Generally 20%	\$0
Part B Excess Charges (Above Medicare Approved Amounts)	\$0	\$0	All Costs
BLOOD			
First 3 pints	\$0	All Costs	\$0
Next [\$155] of Medicare Approved Amounts*	\$0	\$0	[\$155] (Part B Deductible)
Remainder of Medicare Approved Amounts	80%	20%	\$0
CLINICAL LABORATORY SERVICES – TESTS FOR DIAGNOSTIC SERVICES	100%	\$0	\$0

**PARTS A & B**

HOME HEALTH CARE MEDICARE APPROVED SERVICES			
– Medically necessary skilled care services and medical supplies	100%	\$0	\$0
– Durable medical equipment			
First [\$155] of Medicare Approved Amounts*	\$0	\$0	[\$155] (Part B Deductible)
Remainder of Medicare Approved Amounts	80%	20%	\$0

**PLAN B**  
**MEDICARE (PART A) – HOSPITAL SERVICES – PER BENEFIT PERIOD**

\* A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
<b>HOSPITALIZATION *</b> Semiprivate room and board, general nursing and miscellaneous services and supplies			
First 60 days	All but [\$1100]	[\$1100] (Part A Deductible)	\$0
61st thru 90th day	All but [\$275] a day	[\$275] a day	\$0
91st day and after:			
– While using 60 lifetime reserve days	All but [\$550] a day	[\$550] a day	\$0
Once lifetime reserve days are used:			
– Additional 365 days	\$0	100% of Medicare Eligible Expenses	\$0 **
– Beyond the Additional 365 days	\$0	\$0	All Costs
<b>SKILLED NURSING FACILITY CARE *</b> You must meet Medicare’s requirements, including having been in a hospital for at least 3 days and entered a Medicare approved facility within 30 days after leaving the hospital			
First 20 days	All approved amounts	\$0	\$0
21st thru 100th day	All but [\$137.50] a day	\$0	Up to [\$137.50] a day
101st day and after	\$0	\$0	All Costs
<b>BLOOD</b>			
First 3 pints	\$0	3 pints	\$0
Additional Amounts	100%	\$0	\$0
<b>HOSPICE CARE</b> You must meet Medicare’s requirements, including a doctor’s certification of terminal illness	All but very limited copayment/ coinsurance for outpatient drugs and inpatient respite care	Medicare copayment/ coinsurance	\$0

\*\* **NOTICE:** When your Medicare Part A hospital benefits are exhausted, the insurer stands in the place of Medicare and will pay whatever amount Medicare would have paid for up to an additional 365 days as provided in the policy’s “Core Benefits.” During this time the hospital is prohibited from billing you the balance based on any difference between its billed charges and the amount Medicare would have paid.

**PLAN B**  
**MEDICARE (PART B) – MEDICAL SERVICES – PER CALENDAR YEAR**

\* Once you have been billed [\$155] of Medicare-Approved amounts for covered services (which are noted with an asterisk), your Part B Deductible will have been met for the calendar year.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
MEDICAL EXPENSES – IN OR OUT OF THE HOSPITAL AND OUTPATIENT HOSPITAL TREATMENT, such as Physician's services, inpatient and outpatient medical and surgical services and supplies, physical and speech therapy, diagnostic tests, durable medical equipment			
First [\$155] of Medicare Approved Amounts*	\$0	\$0	[\$155] (Part B Deductible)
Remainder of Medicare Approved Amounts	Generally 80%	Generally 20%	\$0
Part B Excess Charges (Above Medicare Approved Amounts)	\$0	\$0	All Costs
BLOOD			
First 3 pints	\$0	All Costs	\$0
Next [\$155] of Medicare Approved Amounts*	\$0	\$0	[\$155] (Part B Deductible)
Remainder of Medicare Approved Amounts	80%	20%	\$0
CLINICAL LABORATORY SERVICES – TESTS FOR DIAGNOSTIC SERVICES	100%	\$0	\$0

**PARTS A & B**

HOME HEALTH CARE MEDICARE APPROVED SERVICES			
– Medically necessary skilled care services and medical supplies	100%	\$0	\$0
– Durable medical equipment			
First [\$155] of Medicare Approved Amounts*	\$0	\$0	[\$155] (Part B Deductible)
Remainder of Medicare Approved Amounts	80%	20%	\$0

**PLAN F or HIGH DEDUCTIBLE PLAN F  
MEDICARE (PART A) – HOSPITAL SERVICES – PER BENEFIT PERIOD**

- \* A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.
- \*\* This high deductible plan pays the same benefits as Plan F after one has paid a calendar year [\$2000] deductible. Benefits from the high deductible plan F will not begin until out-of-pocket expenses are [\$2000]. Out-of-pocket expenses for this deductible are expenses that would ordinarily be paid by the policy. This includes the Medicare deductibles for Part A and Part B, but does not include the plan's separate foreign travel emergency deductible.

SERVICES	MEDICARE PAYS	AFTER YOU PAY [\$2000] DEDUCTIBLE, ** PLAN PAYS	IN ADDITION TO [\$2000] DEDUCTIBLE, ** YOU PAY
<b>HOSPITALIZATION *</b>			
Semiprivate room and board, general nursing and miscellaneous services and supplies			
First 60 days	All but [\$1100]	[\$1100] (Part A Deductible)	\$0
61st thru 90th day	All but [\$275] a day	[\$275] a day	\$0
91st day and after:			
– While using 60 lifetime reserve days	All but [\$550] a day	[\$550] a day	\$0
Once lifetime reserve days are used:			
– Additional 365 days	\$0	100% of Medicare Eligible Expenses	\$0 ***
– Beyond the Additional 365 days	\$0	\$0	All Costs
<b>SKILLED NURSING FACILITY CARE *</b>			
You must meet Medicare's requirements, including having been in a hospital for at least 3 days and entered a Medicare approved facility within 30 days after leaving the hospital			
First 20 days	All approved amounts	\$0	\$0
21st thru 100th day	All but [\$137.50] a day	Up to [\$137.50] a day	\$0
101st day and after	\$0	\$0	All Costs
<b>BLOOD</b>			
First 3 pints	\$0	3 pints	\$0
Additional Amounts	100%	\$0	\$0
<b>HOSPICE CARE</b>			
You must meet Medicare's requirements, including a doctor's certification of terminal illness	All but very limited copayment/ coinsurance for outpatient drugs and inpatient respite care	Medicare copayment/ coinsurance	\$0

\*\*\* **NOTICE:** When your Medicare Part A hospital benefits are exhausted, the insurer stands in the place of Medicare and will pay whatever amount Medicare would have paid for up to an additional 365 days as provided in the policy's "Core Benefits." During this time the hospital is prohibited from billing you the balance based on any difference between its billed charges and the amount Medicare would have paid.

**PLAN F or HIGH DEDUCTIBLE PLAN F  
MEDICARE (PART B) – MEDICAL SERVICES – PER CALENDAR YEAR**

- \* Once you have been billed [\$155] of Medicare-Approved amounts for covered services (which are noted with an asterisk), your Part B Deductible will have been met for the calendar year.
- \*\* This high deductible plan pays the same benefits as Plan F after one has paid a calendar year [\$2000] deductible. Benefits from the high deductible plan F will not begin until out-of-pocket expenses are [\$2000]. Out-of-pocket expenses for this deductible are expenses that would ordinarily be paid by the policy. This includes the Medicare deductibles for Part A and Part B, but does not include the plan's separate foreign travel emergency deductible.

SERVICES	MEDICARE PAYS	AFTER YOU PAY [\$2000] DEDUCTIBLE, ** PLAN PAYS	IN ADDITION TO [\$2000] DEDUCTIBLE, ** YOU PAY
MEDICAL EXPENSES – IN OR OUT OF THE HOSPITAL AND OUTPATIENT HOSPITAL TREATMENT, such as Physician's services, inpatient and outpatient medical and surgical services and supplies, physical and speech therapy, diagnostic tests, durable medical equipment			
First [\$155] of Medicare Approved Amounts*	\$0	[\$155] (Part B Deductible)	\$0
Remainder of Medicare Approved Amounts	Generally 80%	Generally 20%	\$0
Part B Excess Charges (Above Medicare Approved Amounts)	\$0	100%	\$0
BLOOD			
First 3 pints	\$0	All Costs	\$0
Next [\$155] of Medicare Approved Amounts*	\$0	[\$155] (Part B Deductible)	\$0
Remainder of Medicare Approved Amounts	80%	20%	\$0
CLINICAL LABORATORY SERVICES – TESTS FOR DIAGNOSTIC SERVICES	100%	\$0	\$0

**PARTS A & B**

HOME HEALTH CARE MEDICARE APPROVED SERVICES			
– Medically necessary skilled care services and medical supplies	100%	\$0	\$0
– Durable medical equipment			
First [\$155] of Medicare Approved Amounts*	\$0	[\$155] (Part B Deductible)	\$0
Remainder of Medicare Approved Amounts	80%	20%	\$0

**OTHER BENEFITS – NOT COVERED BY MEDICARE**

FOREIGN TRAVEL – NOT COVERED BY MEDICARE			
Medically necessary emergency care services beginning during the first 60 days of each trip outside the USA			
First \$250 each calendar year	\$0	\$0	\$250
Remainder of Charges	\$0	80% to a lifetime maximum benefit of \$50,000	20% and amounts over the \$50,000 lifetime maximum

**NOTICE TO BUYER:** This policy may not cover all of Your medical expenses.

**MEDICARE SUPPLEMENT POLICY**

**BENEFIT PLAN F**

**GUARANTEED RENEWABLE FOR LIFE. COMPANY CANNOT CANCEL POLICY.  
COMPANY MAY CHANGE PREMIUM RATES BY CLASS AND AS MEDICARE BENEFITS  
CHANGE AS PROVIDED IN THE GUARANTEED RENEWAL PROVISION.**

**LIBERTY NATIONAL LIFE INSURANCE COMPANY**

**P.O. BOX 8080 \* MCKINNEY, TEXAS 75070 (972) 529-5085**

**A Legal Reserve Stock Company \* Administrative Offices: McKinney, Texas**

**30 DAY RIGHT TO EXAMINE POLICY**

If You are not satisfied with this policy for any reason, return it to Our Administrative Offices or to the agent within 30 days after You receive it. Any premium You paid will be refunded. The policy will be void from the beginning. It will be as if no policy had been issued.

**GUARANTEED RENEWAL PROVISION**

You can renew and continue this policy in force during Your lifetime, for successive renewal terms by paying appropriate renewal premiums before the end of the grace period. The appropriate renewal premiums will be those under Our applicable table of premium rates that is in effect on the respective due dates of such premiums.

We have the right to change the renewal premiums for this policy when We change, and in accordance with, Our table of premium rates applicable to all policies of this form and class. Class is based on year of issue, area of the state in which You resided at issue, and underwriting group at issue for policyholders of this form in Your state. Your premiums may also be increased due to increasing health care costs for all policies in Your class.

The benefits provided by this policy which are designed to cover cost sharing amounts under Medicare will change automatically to coincide with any applicable changes in the deductible and/or Coinsurance amounts which You are required to pay under Medicare. The renewal premiums for this policy may change on the renewal date following the effective date of any such applicable change. Any such premium change will be based on the actuarial computations which We then use to determine the renewal premium.

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**POLICY SCHEDULE**

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<b>INSURED</b>	<b>POLICY NUMBER</b>	<b>EFFECTIVE DATE</b>	<b>INITIAL TERM EXPIRES ON</b>	<b>INITIAL PREMIUM</b>
[John Doe]	[0000000]	[06-01-10]	[06-01-11]	[\$0]

If this policy is a replacement of an existing policy the “PRE-EXISTING CONDITIONS LIMITATIONS PROVISION” does not apply.

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### PRE-EXISTING CONDITIONS LIMITATIONS PROVISION

Loss due to a Pre-Existing Condition is not covered unless the loss is incurred more than 60 days after the policy effective date.

If You have a Pre-Existing Condition and qualify for open enrollment or have had a continuous period of creditable coverage for at least 60 days, We cannot exclude coverage based on the Pre-Existing Condition. If the period of creditable coverage is less than 60 days, We will give credit for the amount of time of creditable coverage You have had towards fulfilling the Pre-Existing Condition exclusion period.

If You are an Eligible Person who applied to enroll under this Medicare supplement policy not later than 63 days after the date of the termination or disenrollment, and who submitted evidence of the date of termination or disenrollment with the application, the Pre-Existing Conditions Limitations Provision will not apply.

### THE INSURING CLAUSE

The Company insures You against specified losses incurred by You. Benefits stated in this policy, subject to all its provisions, limitations and exclusions, will be paid for the losses which are incurred while this policy is in force.

### EXTENDED BENEFIT PROVISION

Termination of the policy shall be without prejudice to any continuous loss which commenced while the policy was in force, but the extension of benefits beyond the period during which the policy was in force may be conditioned upon the continuous total disability of the Insured, limited to the duration of the policy benefit period, if any, or payment of the maximum benefits. Receipt of Medicare Part D benefits will not be considered in determining a continuous loss.

### DEFINITIONS

Where used in this policy:

**BENEFIT PERIOD** means the unit of time used in the Medicare program to measure use of services and availability of services under Medicare Part A hospital insurance.

**CALENDAR YEAR** means the period beginning on each January 1 and ending on the following December 31.

**COINSURANCE AMOUNTS** means the portion of Medicare approved expense You are obligated to pay but not including the Medicare Part A inpatient hospital deductible or Part B Calendar Year deductible.

**CONTINUOUS PERIOD OF CREDITABLE COVERAGE** means the period during which an individual was covered by creditable coverage, if during the period of the coverage the individual had no breaks in coverage greater than sixty-three (63) days.

**CREDITABLE COVERAGE** means coverage of an individual provided by any of the following:

1. A group health plan;
2. Health insurance coverage;
3. Part A or Part B of Title XVIII of the Social Security Act (Medicare);
4. Title XIX of the Social Security Act (Medicaid), other than coverage consisting solely of benefits under Section 1928;
5. Chapter 55 of Title 10 United States Code (CHAMPUS);
6. A medical care program of the Indian Health Service or of a tribal organization;
7. A state health benefits risk pool;
8. A health plan offered under Chapter 89 of Title 5 United States Code (Federal Employees Health Benefits Program);
9. A public health plan as defined in federal regulation; and
10. A health benefit plan under Section 5(e) of the Peace Corps Act (22 United States Code 2504(e)).

**ELIGIBLE PERSON** means a person who submits evidence of the date of termination, disenrollment, or Medicare Part D enrollment as applies under the following plans: (1) Employee Welfare Benefit Plan; (2) Medicare Advantage plan; (3) Medicare Select Plan, Medicare Risk or Cost Plan, or Medicare HMO plan; or (4) Medicare supplement policy.

**EMERGENCY CARE** means care needed immediately because of an Injury or an illness of sudden and unexpected onset.

**HOSPITAL** means a lawfully operated hospital which has been accredited by the Joint Commission on Accreditation of Hospitals.

**HOSPITAL STAY** means one day or more of confinement within a hospital, as a resident patient under the care of a Physician, due to Injury or Sickness.

**INJURY** means accidental bodily injury which is sustained while this policy is in force and includes all injuries resulting from one accident.

**MEDICARE** means the Health Insurance for the Aged Act, Title XVIII of the Social Security Amendments of 1965, as then constituted or later amended.

**MEDICARE ADVANTAGE PLAN** means a plan of coverage for health benefits under Medicare Part C as defined in 42 U.S.C. 1395w-28(b)(1), and includes: (1) Coordinated care plans which provide health care services, including but not limited to health maintenance organization plans (with or without a point-of-service option), plans offered by provider-sponsored organizations, and preferred provider organization plans; (2) Medical savings account plans coupled with a contribution into a Medicare Advantage plan medical savings account; and (3) Medicare Advantage private fee-for-service plans.

**MEDICARE ELIGIBLE EXPENSES** means expenses of the kinds covered by Medicare Parts A and B, to the extent recognized as reasonable and medically necessary by Medicare.

**PHYSICIAN** means a person legally licensed to treat Injury or Sickness, other than You or any member of Your immediate family.

**PRE-EXISTING CONDITION** means an Injury sustained or Sickness first manifesting itself prior to the policy effective date for which medical advice or treatment was recommended or given by a Physician within 6 months prior to the policy effective date.

**SICKNESS** means illness or disease of an insured person which first manifests itself after the effective date of insurance and while this policy is in force.

**SKILLED NURSING FACILITY** means a facility certified by Medicare as a Skilled Nursing Facility.

**SKILLED NURSING FACILITY STAY** means one day or more of confinement within a Skilled Nursing Facility, as a resident patient under the care of a Physician, following a Hospital Stay of at least 3 days. The Skilled Nursing Facility Stay must be for further treatment of the Injury or Sickness requiring the Hospital Stay and begin within 30 days of hospital discharge.

**WE, US, OUR and COMPANY** mean the Liberty National Life Insurance Company.

**YOU, YOUR, YOURS and INSURED** mean the person whose name is shown in the Policy Schedule.

## **BASIC CORE BENEFITS**

### **PART 1 BENEFITS FOR HOSPITAL STAYS - MEDICARE PART A**

We will pay the following benefits when You have a Hospital Stay for which benefits are paid by Medicare Part A:

- 1) Coverage of Part A Medicare Eligible Expenses for hospitalization to the extent not covered by Medicare from the 61st day through the 90th day in any Medicare benefit period;
- 2) Coverage of Part A Medicare Eligible Expenses incurred for hospitalization to the extent not covered by Medicare for each Medicare lifetime reserve day used; and
- 3) Upon exhaustion of the Medicare hospital inpatient coverage, including the lifetime reserve days, coverage of 100% of the Medicare Part A eligible expenses for hospitalization paid at the applicable prospective payment system (PPS) rate, or other appropriate Medicare standard of payment, subject to a lifetime maximum benefit of an additional 365 days. The provider shall accept the issuer's payment as payment in full and may not bill the insured for any balance.

### **PART 2 MEDICARE BLOOD DEDUCTIBLE BENEFIT**

We will pay the expense You incur for coverage under Medicare Parts A and B for the reasonable cost of the first 3 pints of blood (or equivalent quantities of packed red blood cells, as defined under Federal regulations), unless replaced in accordance with Federal regulations.

### **PART 3 BENEFITS FOR MEDICAL EXPENSE - MEDICARE PART B**

If You incur a medical expense that is eligible under Medicare Part B, We will pay the following benefit for the Medicare approved charge:

Coverage for the coinsurance amount, or in the case of hospital outpatient department services paid under a prospective payment system, the copayment amount, of Medicare Eligible Expenses under Part B regardless of hospital confinement, subject to the Medicare Part B deductible.

Under this PART 3 of this policy, We will not pay benefits for (a) the Medicare Part B blood deductible for which benefits are paid under PART 2 of this policy, or (b) any portion of the Medicare Part B Calendar Year deductible.

**PART 4**

**HOSPICE CARE BENEFIT**

We will pay the expenses You incur for cost sharing for all Part A Medicare eligible hospice care and respite care expenses.

**ADDITIONAL BENEFITS**

**PART 5**

**MEDICARE PART A DEDUCTIBLE BENEFIT**

We will pay the expense You incur for all of the Medicare Part A Inpatient hospital deductible amount per Benefit Period.

**PART 6 BENEFITS FOR SKILLED NURSING FACILITY STAYS - MEDICARE PART A**

When You have a posthospital Skilled Nursing Facility Stay which is eligible under Medicare Part A, We will pay the following benefit:

Coverage for the actual billed charges up to the Coinsurance Amount from the 21st day through the 100th day in a Medicare Benefit Period for post-hospital Skilled Nursing Facility care eligible under Medicare Part A .

**PART 7**

**MEDICARE PART B DEDUCTIBLE BENEFIT**

We will pay the expense You incur for all of the Medicare Part B deductible amount per Calendar Year regardless of Hospital confinement.

**PART 8**

**100% EXCESS EXPENSE BENEFIT - MEDICARE PART B**

We will pay 100% of the difference between the actual Medicare Part B charge as billed, not to exceed any charge limitation established by the Medicare program or state law, and the Medicare-approved Part B charge.

**PART 9**

**MEDICALLY NECESSARY EMERGENCY CARE IN A FOREIGN COUNTRY**

We will pay benefits for coverage to the extent not covered by Medicare for 80% of the billed charges for Medicare Eligible Expenses for Medically Necessary Emergency hospital, physician and medical care received in a foreign country, which care would have been covered by Medicare if provided in the United States and which began during the first 60 consecutive days of each trip outside of the United States, subject to a calendar year deductible of \$250, and a lifetime maximum benefit of \$50,000.

For the purposes of this benefit, "Emergency Care" shall mean care needed immediately because of an Injury or an illness of sudden and unexpected onset.

**PART 10**

**LIMITATIONS AND EXCLUSIONS**

We will not pay benefits under this policy for:

- 1) Any expense which You are not legally obligated to pay; or
- 2) Any services that are not medically necessary as determined by Medicare or are not furnished at the direction of and under the supervision of a Physician; or
- 3) Any portion of any expense for which payment is made by Medicare; or
- 4) Custodial or intermediate level care, or rest cures; or
- 5) Any type of expense not eligible for coverage under Medicare, except as provided under Part 9.

**POLICY PROVISIONS**

**PREMIUM PAYMENT:** This policy is issued based on the application and the payment of the first premium. A copy of the application is a part of this policy. This policy takes effect at 12 o'clock noon, Standard Time of the place where You reside, and remains in effect until the same hour on the date on which the initial term expires.

The effective date of this policy, the first premium and the date the initial term expires are shown in the POLICY SCHEDULE. All premiums, except the first premium, shall be due and payable at Our Administrative Offices.

Upon Your death, We will refund any premiums paid in Your behalf, for any period beyond the ending of the policy month the death occurred, within 30 days after We receive proof of death.

If death is due to Injury and this policy provides for the refund of premiums for death due to Injury, only one benefit will be paid, the largest.

**ENTIRE CONTRACT; CHANGES:** This policy, with the application and attached papers, is the entire contract between You and Us. No change in this policy will be effective until approved by Us. This approval must be noted on or attached to this policy.

No agent may change this policy or waive any of its provisions.

**TIME LIMIT ON CERTAIN DEFENSES:** After 2 years from the effective date, only fraudulent misstatements in the application may be used to void this policy or deny any claim for loss incurred after the 2 year period.

No claim for loss incurred after 60 days from the effective date will be reduced or denied because a Sickness or physical condition had existed before the effective date of this policy.

**GRACE PERIOD:** This policy has a 31 day grace period. This means that if a renewal premium is not paid on or before the date it is due, it may be paid during the following 31 days. During the grace period this policy will stay in force.

**REINSTATEMENT:** If the renewal premium is not paid before the grace period ends, this policy will lapse. Later acceptance of the premium by Us (or by Our agent authorized to accept payment) without requiring an application for reinstatement will reinstate this policy.

If We or Our agent requires an application, this policy will be reinstated when We approve the application, or on the 45th day after We receive it unless We have previously written You of its disapproval.

The reinstated policy will cover only loss that results from an Injury sustained after the date of reinstatement or Sickness that starts more than 10 days after such date. In all other respects Your rights and Our rights will remain the same, subject to any provisions noted on or attached to the reinstated policy.

**SUSPENSION OF COVERAGE WHILE ENTITLED TO MEDICAID:** By written notice to Us, You may request that benefits and premiums for You under this policy be suspended for the period in which You have been determined to be entitled to Medicaid. Written notice must be received by Us within 90 days after the date You become entitled to Medicaid. After We have received such notice, We will return to You any portion of premiums paid for the period of suspension less any claims paid. The suspension period shall not exceed 24 months.

If Your entitlement to Medicaid ends, You must send Us written notice of the loss of such entitlement within 90 days and pay the premium attributable to the period, effective as of the date of termination of entitlement. We will reinstate Your benefits and premiums under this policy as of the date Your entitlement ended. The reinstated coverage shall be the same as if no suspension has occurred.

**SUSPENSION OF COVERAGE WHILE ENTITLED TO BENEFITS UNDER A GROUP HEALTH PLAN:** By written notice to Us, You may request that benefits and premiums for You under this policy be suspended (for any period that may be provided by federal regulation) if You are entitled to benefits under Section 226(b) of the Social Security Act and are covered under a group health plan (as defined in Section 1862 (b)(1)(A)(v) of the Social Security Act). Written notice must be received by Us within 90 days after the date You become entitled to coverage under the group health plan. After We have received such notice, We will return to You any portion of premiums paid for the period of suspension less any claims paid.

If Your entitlement to coverage under the group health plan ends, You must send Us written notice of the loss of such entitlement within 90 days and pay the premium attributable to the period, effective as of the date of termination of enrollment in the group health plan. We will reinstate Your benefits and premiums under this policy as of the date Your entitlement ended. The reinstated coverage shall be the same as if no suspension has occurred.

Reinstitution of these coverages: (1) Shall not provide for any waiting period with respect to treatment of Pre-Existing Conditions; (2) Shall provide for resumption of coverage that is substantially equivalent to coverage in effect before the date of suspension; and (3) Shall provide for classification of premiums on terms at least as favorable to the policyholder as the premium classification terms that would have applied to the policyholder had the coverage not been suspended.

**NOTICE OF CLAIM:** Written notice of claim must be given to Us within 20 days after a covered loss starts or as soon as reasonably possible. The notice can be given to Us at Our Administrative Offices in McKinney, Texas or to Our agent.

Notice should include Your name and Your Policy Number.

**CLAIM FORMS:** When We receive the notice of claim, We will send You any required forms for filing proof of loss, if applicable. If these forms are not given to You within 15 days, You will meet the proof of loss requirements by giving Us a written statement of the nature and extent of Your loss.

**PROOF OF LOSS:** You must give written proof of loss to Us within 6 months after the date of such loss. If it was not reasonably possible to give written proof in the time required, We will not reduce or deny the claim for this reason if the proof is filed as soon as reasonably possible. In any event, the proof required must be given no later than 1 year from the time specified unless You were legally incapacitated.

**TIME OF PAYMENT OF CLAIMS:** After receiving written proof of loss, We will pay all benefits then due for such loss.

**PAYMENT OF CLAIMS:** Any benefits unpaid at Your death may be paid, at Our option, either to Your beneficiary or Your estate. All other benefits will be paid to You.

If benefits are payable to Your estate or a beneficiary who cannot execute a valid release, We can pay benefits up to \$1,000.00 to someone related to You or the beneficiary by blood or marriage whom We consider to be entitled to the benefits. We will be discharged to the extent of any such payment made in good faith.

**PHYSICAL EXAMINATIONS:** We, at Our expense, have the right to have You examined as often as reasonably necessary while a claim is pending.

**LEGAL ACTIONS:** No legal action may be brought to recover on this policy within 60 days after written proof of loss has been given as required by this policy. No such action may be brought after 3 years from the time written proof of loss is required to be given.

**CONFORMITY WITH STATE STATUTES:** Any provision of this policy which, on its effective date, is in conflict with the laws of the state in which You reside on that date is amended to conform to the minimum requirements of such laws.

**ASSIGNMENT:** No assignment under this policy shall be binding upon Us unless the original (or a copy of it) is on file at Our Administrative Offices. We do not assume any responsibility for the validity of any assignment.

This policy is signed for Us by Our President and Secretary.



Secretary



President

Countersigned:

\_\_\_\_\_  
Licensed Resident Agent where required by law.

**LIBERTY NATIONAL LIFE INSURANCE COMPANY**  
P.O. BOX 8080, MCKINNEY, TEXAS 75070 (972) 529-5085  
A Legal Reserve Stock Company • Administrative Offices: McKinney, Texas

Benefit Chart of Medicare Supplement Plans Sold on or After June 1, 2010

Benefit Plan B

This chart shows the benefits included in each of the standard Medicare supplement plans. Every company must make Plan "A" available. Some plans may not be available in your state.

Plans E, H, I, and J are no longer available for sale.

**BASIC BENEFITS:**

Hospitalization: Part A coinsurance plus coverage for 365 additional days after Medicare benefits end.

Medical Expenses: Part B coinsurance (generally 20% of Medicare-approved expenses) or copayments for hospital outpatient services. Plans K, L and N require insureds to pay a portion of the Part B coinsurance or copayments.

Blood: First three pints of blood each year.

Hospice: Part A coinsurance.

<b>A</b>	<b>B*</b>	<b>C</b>	<b>D</b>	<b>F</b>	<b>F**</b>	<b>G</b>	<b>K</b>	<b>L</b>	<b>M</b>	<b>N</b>
Basic, including 100% Part B coinsurance		Basic, including 100% Part B coinsurance	Hospitalization and preventive care paid at 100%; other basic benefits paid at 50%	Hospitalization and preventive care paid at 100%; other basic benefits paid at 75%	Basic, including 100% Part B coinsurance	Basic, including 100% Part B coinsurance, except up to \$20 copayment for office visit, and up to \$50 copayment for ER				
		Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance		Skilled Nursing Facility Coinsurance	50% Skilled Nursing Facility Coinsurance	75% Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance
	Part A Deductible	Part A Deductible	Part A Deductible	Part A Deductible		Part A Deductible	50% Part A Deductible	75% Part A Deductible	50% Part A Deductible	Part A Deductible
		Part B Deductible		Part B Deductible						
				Part B Excess (100%)		Part B Excess (100%)				
		Foreign Travel Emergency	Foreign Travel Emergency	Foreign Travel Emergency		Foreign Travel Emergency			Foreign Travel Emergency	Foreign Travel Emergency
							Out-of-pocket limit \$[4620]; paid at 100% after limit reached	Out-of-pocket limit \$[2310]; paid at 100% after limit reached		

\* Denotes plans available by Liberty National Life Insurance Company.

\*\* Plan F also has an option called a high deductible Plan F. This high deductible plan pays the same benefits as Plan F after one has paid a calendar year [\$2000] deductible. Benefits from high deductible Plan F will not begin until out-of-pocket expenses exceed [\$2000]. Out-of-pocket expenses for this deductible are expenses that would ordinarily be paid by the policy. These expenses include the Medicare deductibles for Part A and Part B, but do not include the plan's separate foreign travel emergency deductible.

## **DISCLOSURES**

This outline shows benefits and premiums of policies sold for effective dates on or after June 1, 2010. Policies sold for effective dates prior to June 1, 2010 have different benefits and premiums. Plans E, H, I, and J are no longer available for sale.

### **READ YOUR POLICY VERY CAREFULLY**

This is only an Outline describing your policy's most important features. The policy is your insurance contract. You must read the policy itself to understand all of the rights and duties of both you and your insurance company.

### **RIGHT TO RETURN POLICY**

If you find that you are not satisfied with your policy, you may return it to Liberty National Life Insurance Company, P.O. Box 8080, McKinney, Texas 75070. If you send the policy back to us within 30 days after you receive it, we will treat the policy as if it had never been issued and return all of your payments.

### **POLICY REPLACEMENT**

If you are replacing another health insurance policy, do NOT cancel it until you have actually received your new policy and are sure you want to keep it.

## **NOTICE**

This policy may not fully cover all your medical cost.

Neither Liberty National Life Insurance Company nor its agents are connected with Medicare.

This Outline of Coverage does not give all the details of Medicare coverage. Contact your local Social Security Office or consult *Medicare and You* for more details.

### **COMPLETE ANSWERS ARE VERY IMPORTANT**

When you fill out the application for the new policy, be sure to answer truthfully and completely all questions about your medical and health history. The Company may cancel your policy and refuse to pay claims if you leave out or falsify important medical information.

Review the application carefully before you sign it. Be certain that all information has been properly recorded.

### **RENEWABILITY**

This policy is guaranteed renewable for life. We have the right to change the renewal premiums for this policy in accordance with our table of premium rates applicable to all policies of this form and class. This policy provides a 31-day grace period.

## Liberty National Life Insurance Company Medicare Supplement Rates

PLAN	Annual	Semi Annual	Quarterly	Monthly	Plan Code	Effective Date
DMSB	4380	2190	1095	365	YF8 / ZF8	01-01-10

**PLAN B**  
**MEDICARE (PART A) – HOSPITAL SERVICES – PER BENEFIT PERIOD**

\* A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
<b>HOSPITALIZATION *</b> Semiprivate room and board, general nursing and miscellaneous services and supplies			
First 60 days	All but [\$1100]	[\$1100] (Part A Deductible)	\$0
61st thru 90th day	All but [\$275] a day	[\$275] a day	\$0
91st day and after:			
– While using 60 lifetime reserve days	All but [\$550] a day	[\$550] a day	\$0
Once lifetime reserve days are used:			
– Additional 365 days	\$0	100% of Medicare Eligible Expenses	\$0 **
– Beyond the Additional 365 days	\$0	\$0	All Costs
<b>SKILLED NURSING FACILITY CARE *</b> You must meet Medicare’s requirements, including having been in a hospital for at least 3 days and entered a Medicare approved facility within 30 days after leaving the hospital			
First 20 days	All approved amounts	\$0	\$0
21st thru 100th day	All but [\$137.50] a day	\$0	Up to [\$137.50] a day
101st day and after	\$0	\$0	All Costs
<b>BLOOD</b>			
First 3 pints	\$0	3 pints	\$0
Additional Amounts	100%	\$0	\$0
<b>HOSPICE CARE</b> You must meet Medicare’s requirements, including a doctor’s certification of terminal illness	All but very limited copayment/ coinsurance for outpatient drugs and inpatient respite care	Medicare copayment/ coinsurance	\$0

\*\* **NOTICE:** When your Medicare Part A hospital benefits are exhausted, the insurer stands in the place of Medicare and will pay whatever amount Medicare would have paid for up to an additional 365 days as provided in the policy’s “Core Benefits.” During this time the hospital is prohibited from billing you the balance based on any difference between its billed charges and the amount Medicare would have paid.

**PLAN B**  
**MEDICARE (PART B) – MEDICAL SERVICES – PER CALENDAR YEAR**

\* Once you have been billed [\$155] of Medicare-Approved amounts for covered services (which are noted with an asterisk), your Part B Deductible will have been met for the calendar year.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
MEDICAL EXPENSES – IN OR OUT OF THE HOSPITAL AND OUTPATIENT HOSPITAL TREATMENT, such as Physician's services, inpatient and outpatient medical and surgical services and supplies, physical and speech therapy, diagnostic tests, durable medical equipment			
First [\$155] of Medicare Approved Amounts*	\$0	\$0	[\$155] (Part B Deductible)
Remainder of Medicare Approved Amounts	Generally 80%	Generally 20%	\$0
Part B Excess Charges (Above Medicare Approved Amounts)	\$0	\$0	All Costs
BLOOD			
First 3 pints	\$0	All Costs	\$0
Next [\$155] of Medicare Approved Amounts*	\$0	\$0	[\$155] (Part B Deductible)
Remainder of Medicare Approved Amounts	80%	20%	\$0
CLINICAL LABORATORY SERVICES – TESTS FOR DIAGNOSTIC SERVICES	100%	\$0	\$0

**PARTS A & B**

HOME HEALTH CARE MEDICARE APPROVED SERVICES			
– Medically necessary skilled care services and medical supplies	100%	\$0	\$0
– Durable medical equipment			
First [\$155] of Medicare Approved Amounts*	\$0	\$0	[\$155] (Part B Deductible)
Remainder of Medicare Approved Amounts	80%	20%	\$0

**LIBERTY NATIONAL LIFE INSURANCE COMPANY**  
P.O. BOX 8080, MCKINNEY, TEXAS 75070 (972) 529-5085  
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Benefit Chart of Medicare Supplement Plans Sold on or After June 1, 2010

Benefit Plans A, B, F, HDF

This chart shows the benefits included in each of the standard Medicare supplement plans. Every company must make Plan "A" available. Some plans may not be available in your state.

Plans E, H, I, and J are no longer available for sale.

**BASIC BENEFITS:**

Hospitalization: Part A coinsurance plus coverage for 365 additional days after Medicare benefits end.

Medical Expenses: Part B coinsurance (generally 20% of Medicare-approved expenses) or copayments for hospital outpatient services. Plans K, L and N require insureds to pay a portion of the Part B coinsurance or copayments.

Blood: First three pints of blood each year.

Hospice: Part A coinsurance.

<b>A*</b>	<b>B*</b>	<b>C</b>	<b>D</b>	<b>F*</b>	<b>F**</b>	<b>G</b>	<b>K</b>	<b>L</b>	<b>M</b>	<b>N</b>
Basic, including 100% Part B coinsurance		Basic, including 100% Part B coinsurance	Hospitalization and preventive care paid at 100%; other basic benefits paid at 50%	Hospitalization and preventive care paid at 100%; other basic benefits paid at 75%	Basic, including 100% Part B coinsurance	Basic, including 100% Part B coinsurance, except up to \$20 copayment for office visit, and up to \$50 copayment for ER				
		Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance		Skilled Nursing Facility Coinsurance	50% Skilled Nursing Facility Coinsurance	75% Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance
	Part A Deductible	Part A Deductible	Part A Deductible	Part A Deductible		Part A Deductible	50% Part A Deductible	75% Part A Deductible	50% Part A Deductible	Part A Deductible
		Part B Deductible		Part B Deductible						
				Part B Excess (100%)		Part B Excess (100%)				
		Foreign Travel Emergency	Foreign Travel Emergency	Foreign Travel Emergency		Foreign Travel Emergency			Foreign Travel Emergency	Foreign Travel Emergency
							Out-of-pocket limit \$[4140]; paid at 100% after limit reached	Out-of-pocket limit \$[2070]; paid at 100% after limit reached		

\* Denotes plans available by Liberty National Life Insurance Company.

\*\* Plan F also has an option called a high deductible Plan F. This high deductible plan pays the same benefits as Plan F after one has paid a calendar year [\$2000] deductible. Benefits from high deductible Plan F will not begin until out-of-pocket expenses exceed [\$2000]. Out-of-pocket expenses for this deductible are expenses that would ordinarily be paid by the policy. These expenses include the Medicare deductibles for Part A and Part B, but do not include the plan's separate foreign travel emergency deductible.

## **PREMIUM INFORMATION**

We, Liberty National Life Insurance Company, can only raise your premium if we raise the premium for all policies like yours in this State.

## **DISCLOSURES**

This outline shows benefits and premiums of policies sold for effective dates on or after June 1, 2010. Policies sold for effective dates prior to June 1, 2010 have different benefits and premiums. Plans E, H, I, and J are no longer available for sale.

## **READ YOUR POLICY VERY CAREFULLY**

This is only an Outline describing your policy's most important features. The policy is your insurance contract. You must read the policy itself to understand all of the rights and duties of both you and your insurance company.

## **RIGHT TO RETURN POLICY**

If you find that you are not satisfied with your policy, you may return it to Liberty National Life Insurance Company, P.O. Box 8080, McKinney, Texas 75070. If you send the policy back to us within 30 days after you receive it, we will treat the policy as if it had never been issued and return all of your payments.

## **POLICY REPLACEMENT**

If you are replacing another health insurance policy, do NOT cancel it until you have actually received your new policy and are sure you want to keep it.

## **NOTICE**

This policy may not fully cover all your medical cost.

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This Outline of Coverage does not give all the details of Medicare coverage. Contact your local Social Security Office or consult *Medicare and You* for more details.

## **COMPLETE ANSWERS ARE VERY IMPORTANT**

When you fill out the application for the new policy, be sure to answer truthfully and completely all questions about your medical and health history. The Company may cancel your policy and refuse to pay claims if you leave out or falsify important medical information.

Review the application carefully before you sign it. Be certain that all information has been properly recorded.

## **RENEWABILITY**

This policy is guaranteed renewable for life. We have the right to change the renewal premiums for this policy in accordance with our table of premium rates applicable to all policies of this form and class. This policy provides a 31-day grace period.

## Liberty National Life Insurance Company Medicare Supplement Rates

PLAN	Annual	Semi Annual	Quarterly	Monthly	Plan Code	Effective Date
<b>A</b>	1660	830	415	138	YA8	01-01-10
<b>B</b>	2430	1215	608	203	YB8	01-01-10
<b>F</b>	2798	1399	700	233	YC8	01-01-10
<b>HDF</b>	1000	500	250	83	YD8	01-01-10

**PLAN A**  
**MEDICARE (PART A) – HOSPITAL SERVICES – PER BENEFIT PERIOD**

\* A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
<b>HOSPITALIZATION *</b> Semiprivate room and board, general nursing and miscellaneous services and supplies			
First 60 days	All but [\$1100]	\$0	[\$1100] (Part A Deductible)
61st thru 90th day	All but [\$275] a day	[\$275] a day	\$0
91st day and after:			
– While using 60 lifetime reserve days	All but [\$550] a day	[\$550] a day	\$0
Once lifetime reserve days are used:			
– Additional 365 days	\$0	100% of Medicare Eligible Expenses	\$0 **
– Beyond the Additional 365 days	\$0	\$0	All Costs
<b>SKILLED NURSING FACILITY CARE *</b> You must meet Medicare’s requirements, including having been in a hospital for at least 3 days and entered a Medicare approved facility within 30 days after leaving the hospital			
First 20 days	All approved amounts	\$0	\$0
21st thru 100th day	All but [\$137.50] a day	\$0	Up to [\$137.50] a day
101st day and after	\$0	\$0	All Costs
<b>BLOOD</b>			
First 3 pints	\$0	3 pints	\$0
Additional Amounts	100%	\$0	\$0
<b>HOSPICE CARE</b> You must meet Medicare’s requirements, including a doctor’s certification of terminal illness	All but very limited copayment/ coinsurance for outpatient drugs and inpatient respite care	Medicare copayment/ coinsurance	\$0

\*\* **NOTICE:** When your Medicare Part A hospital benefits are exhausted, the insurer stands in the place of Medicare and will pay whatever amount Medicare would have paid for up to an additional 365 days as provided in the policy’s “Core Benefits.” During this time the hospital is prohibited from billing you the balance based on any difference between its billed charges and the amount Medicare would have paid.

**PLAN A**  
**MEDICARE (PART B) – MEDICAL SERVICES – PER CALENDAR YEAR**

\* Once you have been billed [\$155] of Medicare-Approved amounts for covered services (which are noted with an asterisk), your Part B Deductible will have been met for the calendar year.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
MEDICAL EXPENSES – IN OR OUT OF THE HOSPITAL AND OUTPATIENT HOSPITAL TREATMENT, such as Physician's services, inpatient and outpatient medical and surgical services and supplies, physical and speech therapy, diagnostic tests, durable medical equipment			
First [\$155] of Medicare Approved Amounts*	\$0	\$0	[\$155] (Part B Deductible)
Remainder of Medicare Approved Amounts	Generally 80%	Generally 20%	\$0
Part B Excess Charges (Above Medicare Approved Amounts)	\$0	\$0	All Costs
BLOOD			
First 3 pints	\$0	All Costs	\$0
Next [\$155] of Medicare Approved Amounts*	\$0	\$0	[\$155] (Part B Deductible)
Remainder of Medicare Approved Amounts	80%	20%	\$0
CLINICAL LABORATORY SERVICES – TESTS FOR DIAGNOSTIC SERVICES	100%	\$0	\$0

**PARTS A & B**

HOME HEALTH CARE MEDICARE APPROVED SERVICES			
– Medically necessary skilled care services and medical supplies	100%	\$0	\$0
– Durable medical equipment			
First [\$155] of Medicare Approved Amounts*	\$0	\$0	[\$155] (Part B Deductible)
Remainder of Medicare Approved Amounts	80%	20%	\$0

**PLAN B**  
**MEDICARE (PART A) – HOSPITAL SERVICES – PER BENEFIT PERIOD**

\* A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
<b>HOSPITALIZATION *</b>			
Semiprivate room and board, general nursing and miscellaneous services and supplies			
First 60 days	All but [\$1100]	[\$1100] (Part A Deductible)	\$0
61st thru 90th day	All but [\$275] a day	[\$275] a day	\$0
91st day and after:			
– While using 60 lifetime reserve days	All but [\$550] a day	[\$550] a day	\$0
Once lifetime reserve days are used:			
– Additional 365 days	\$0	100% of Medicare Eligible Expenses	\$0 **
– Beyond the Additional 365 days	\$0	\$0	All Costs
<b>SKILLED NURSING FACILITY CARE *</b>			
You must meet Medicare’s requirements, including having been in a hospital for at least 3 days and entered a Medicare approved facility within 30 days after leaving the hospital			
First 20 days	All approved amounts	\$0	\$0
21st thru 100th day	All but [\$137.50] a day	\$0	Up to [\$137.50] a day
101st day and after	\$0	\$0	All Costs
<b>BLOOD</b>			
First 3 pints	\$0	3 pints	\$0
Additional Amounts	100%	\$0	\$0
<b>HOSPICE CARE</b>			
You must meet Medicare’s requirements, including a doctor’s certification of terminal illness	All but very limited copayment/ coinsurance for outpatient drugs and inpatient respite care	Medicare copayment/ coinsurance	\$0

\*\* **NOTICE:** When your Medicare Part A hospital benefits are exhausted, the insurer stands in the place of Medicare and will pay whatever amount Medicare would have paid for up to an additional 365 days as provided in the policy’s “Core Benefits.” During this time the hospital is prohibited from billing you the balance based on any difference between its billed charges and the amount Medicare would have paid.

**PLAN B**  
**MEDICARE (PART B) – MEDICAL SERVICES – PER CALENDAR YEAR**

\* Once you have been billed [\$155] of Medicare-Approved amounts for covered services (which are noted with an asterisk), your Part B Deductible will have been met for the calendar year.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
MEDICAL EXPENSES – IN OR OUT OF THE HOSPITAL AND OUTPATIENT HOSPITAL TREATMENT, such as Physician's services, inpatient and outpatient medical and surgical services and supplies, physical and speech therapy, diagnostic tests, durable medical equipment			
First [\$155] of Medicare Approved Amounts*	\$0	\$0	[\$155] (Part B Deductible)
Remainder of Medicare Approved Amounts	Generally 80%	Generally 20%	\$0
Part B Excess Charges (Above Medicare Approved Amounts)	\$0	\$0	All Costs
BLOOD			
First 3 pints	\$0	All Costs	\$0
Next [\$155] of Medicare Approved Amounts*	\$0	\$0	[\$155] (Part B Deductible)
Remainder of Medicare Approved Amounts	80%	20%	\$0
CLINICAL LABORATORY SERVICES – TESTS FOR DIAGNOSTIC SERVICES	100%	\$0	\$0

**PARTS A & B**

HOME HEALTH CARE MEDICARE APPROVED SERVICES			
– Medically necessary skilled care services and medical supplies	100%	\$0	\$0
– Durable medical equipment			
First [\$155] of Medicare Approved Amounts*	\$0	\$0	[\$155] (Part B Deductible)
Remainder of Medicare Approved Amounts	80%	20%	\$0

**PLAN F or HIGH DEDUCTIBLE PLAN F  
MEDICARE (PART A) – HOSPITAL SERVICES – PER BENEFIT PERIOD**

- \* A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.
- \*\* This high deductible plan pays the same benefits as Plan F after one has paid a calendar year [\$2000] deductible. Benefits from the high deductible plan F will not begin until out-of-pocket expenses are [\$2000]. Out-of-pocket expenses for this deductible are expenses that would ordinarily be paid by the policy. This includes the Medicare deductibles for Part A and Part B, but does not include the plan's separate foreign travel emergency deductible.

SERVICES	MEDICARE PAYS	AFTER YOU PAY [\$2000] DEDUCTIBLE, ** PLAN PAYS	IN ADDITION TO [\$2000] DEDUCTIBLE, ** YOU PAY
<b>HOSPITALIZATION *</b>			
Semiprivate room and board, general nursing and miscellaneous services and supplies			
First 60 days	All but [\$1100]	[\$1100] (Part A Deductible)	\$0
61st thru 90th day	All but [\$275] a day	[\$275] a day	\$0
91st day and after:			
– While using 60 lifetime reserve days	All but [\$550] a day	[\$550] a day	\$0
Once lifetime reserve days are used:			
– Additional 365 days	\$0	100% of Medicare Eligible Expenses	\$0 ***
– Beyond the Additional 365 days	\$0	\$0	All Costs
<b>SKILLED NURSING FACILITY CARE *</b>			
You must meet Medicare's requirements, including having been in a hospital for at least 3 days and entered a Medicare approved facility within 30 days after leaving the hospital			
First 20 days	All approved amounts	\$0	\$0
21st thru 100th day	All but [\$137.50] a day	Up to [\$137.50] a day	\$0
101st day and after	\$0	\$0	All Costs
<b>BLOOD</b>			
First 3 pints	\$0	3 pints	\$0
Additional Amounts	100%	\$0	\$0
<b>HOSPICE CARE</b>			
You must meet Medicare's requirements, including a doctor's certification of terminal illness	All but very limited copayment/ coinsurance for outpatient drugs and inpatient respite care	Medicare copayment/ coinsurance	\$0

\*\*\* **NOTICE:** When your Medicare Part A hospital benefits are exhausted, the insurer stands in the place of Medicare and will pay whatever amount Medicare would have paid for up to an additional 365 days as provided in the policy's "Core Benefits." During this time the hospital is prohibited from billing you the balance based on any difference between its billed charges and the amount Medicare would have paid.

**PLAN F or HIGH DEDUCTIBLE PLAN F  
MEDICARE (PART B) – MEDICAL SERVICES – PER CALENDAR YEAR**

- \* Once you have been billed [\$155] of Medicare-Approved amounts for covered services (which are noted with an asterisk), your Part B Deductible will have been met for the calendar year.
- \*\* This high deductible plan pays the same benefits as Plan F after one has paid a calendar year [\$2000] deductible. Benefits from the high deductible plan F will not begin until out-of-pocket expenses are [\$2000]. Out-of-pocket expenses for this deductible are expenses that would ordinarily be paid by the policy. This includes the Medicare deductibles for Part A and Part B, but does not include the plan's separate foreign travel emergency deductible.

SERVICES	MEDICARE PAYS	AFTER YOU PAY [\$2000] DEDUCTIBLE, ** PLAN PAYS	IN ADDITION TO [\$2000] DEDUCTIBLE, ** YOU PAY
MEDICAL EXPENSES – IN OR OUT OF THE HOSPITAL AND OUTPATIENT HOSPITAL TREATMENT, such as Physician's services, inpatient and outpatient medical and surgical services and supplies, physical and speech therapy, diagnostic tests, durable medical equipment			
First [\$155] of Medicare Approved Amounts*	\$0	[\$155] (Part B Deductible)	\$0
Remainder of Medicare Approved Amounts	Generally 80%	Generally 20%	\$0
Part B Excess Charges (Above Medicare Approved Amounts)	\$0	100%	\$0
BLOOD			
First 3 pints	\$0	All Costs	\$0
Next [\$155] of Medicare Approved Amounts*	\$0	[\$155] (Part B Deductible)	\$0
Remainder of Medicare Approved Amounts	80%	20%	\$0
CLINICAL LABORATORY SERVICES – TESTS FOR DIAGNOSTIC SERVICES	100%	\$0	\$0

**PARTS A & B**

HOME HEALTH CARE MEDICARE APPROVED SERVICES			
– Medically necessary skilled care services and medical supplies	100%	\$0	\$0
– Durable medical equipment			
First [\$155] of Medicare Approved Amounts*	\$0	[\$155] (Part B Deductible)	\$0
Remainder of Medicare Approved Amounts	80%	20%	\$0

**OTHER BENEFITS – NOT COVERED BY MEDICARE**

FOREIGN TRAVEL – NOT COVERED BY MEDICARE			
Medically necessary emergency care services beginning during the first 60 days of each trip outside the USA			
First \$250 each calendar year	\$0	\$0	\$250
Remainder of Charges	\$0	80% to a lifetime maximum benefit of \$50,000	20% and amounts over the \$50,000 lifetime maximum

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Benefit Chart of Medicare Supplement Plans Sold on or After June 1, 2010

Benefit Plan B

This chart shows the benefits included in each of the standard Medicare supplement plans. Every company must make Plan "A" available. Some plans may not be available in your state.

Plans E, H, I, and J are no longer available for sale.

**BASIC BENEFITS:**

Hospitalization: Part A coinsurance plus coverage for 365 additional days after Medicare benefits end.

Medical Expenses: Part B coinsurance (generally 20% of Medicare-approved expenses) or copayments for hospital outpatient services. Plans K, L and N require insureds to pay a portion of the Part B coinsurance or copayments.

Blood: First three pints of blood each year.

Hospice: Part A coinsurance.

A	B*	C	D	F	F**	G	K	L	M	N
Basic, including 100% Part B coinsurance	Hospitalization and preventive care paid at 100%; other basic benefits paid at 50%	Hospitalization and preventive care paid at 100%; other basic benefits paid at 75%	Basic, including 100% Part B coinsurance	Basic, including 100% Part B coinsurance, except up to \$20 copayment for office visit, and up to \$50 copayment for ER						
		Skilled Nursing Facility Coinsurance	50% Skilled Nursing Facility Coinsurance	75% Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance	Skilled Nursing Facility Coinsurance				
	Part A Deductible	50% Part A Deductible	75% Part A Deductible	50% Part A Deductible	Part A Deductible					
		Part B Deductible		Part B Deductible						
				Part B Excess (100%)		Part B Excess (100%)				
		Foreign Travel Emergency	Foreign Travel Emergency	Foreign Travel Emergency		Foreign Travel Emergency			Foreign Travel Emergency	Foreign Travel Emergency
							Out-of-pocket limit \$[4140]; paid at 100% after limit reached	Out-of-pocket limit \$[2070]; paid at 100% after limit reached		

\* Denotes plans available by Liberty National Life Insurance Company.

\*\* Plan F also has an option called a high deductible Plan F. This high deductible plan pays the same benefits as Plan F after one has paid a calendar year [\$2000] deductible. Benefits from high deductible Plan F will not begin until out-of-pocket expenses exceed [\$2000]. Out-of-pocket expenses for this deductible are expenses that would ordinarily be paid by the policy. These expenses include the Medicare deductibles for Part A and Part B, but do not include the plan's separate foreign travel emergency deductible.

## **PREMIUM INFORMATION**

We, Liberty National Life Insurance Company, can only raise your premium if we raise the premium for all policies like yours in this State. Your premiums may also be increased due to increasing health costs for all policies in your class.

## **DISCLOSURES**

This outline shows benefits and premiums of policies sold for effective dates on or after June 1, 2010. Policies sold for effective dates prior to June 1, 2010 have different benefits and premiums. Plans E, H, I, and J are no longer available for sale.

### **READ YOUR POLICY VERY CAREFULLY**

This is only an Outline describing your policy's most important features. The policy is your insurance contract. You must read the policy itself to understand all of the rights and duties of both you and your insurance company.

### **RIGHT TO RETURN POLICY**

If you find that you are not satisfied with your policy, you may return it to Liberty National Life Insurance Company, P.O. Box 8080, McKinney, Texas 75070. If you send the policy back to us within 30 days after you receive it, we will treat the policy as if it had never been issued and return all of your payments.

### **POLICY REPLACEMENT**

If you are replacing another health insurance policy, do NOT cancel it until you have actually received your new policy and are sure you want to keep it.

## **NOTICE**

This policy may not fully cover all your medical cost.

Neither Liberty National Life Insurance Company nor its agents are connected with Medicare.

This Outline of Coverage does not give all the details of Medicare coverage. Contact your local Social Security Office or consult *Medicare and You* for more details.

### **COMPLETE ANSWERS ARE VERY IMPORTANT**

When you fill out the application for the new policy, be sure to answer truthfully and completely all questions about your medical and health history. The Company may cancel your policy and refuse to pay claims if you leave out or falsify important medical information.

Review the application carefully before you sign it. Be certain that all information has been properly recorded.

### **RENEWABILITY**

This policy is guaranteed renewable for life. We have the right to change the renewal premiums for this policy in accordance with our table of premium rates applicable to all policies of this form and class. This policy provides a 31-day grace period.

## Liberty National Life Insurance Company Medicare Supplement Rates

PLAN	Annual	Semi Annual	Quarterly	Monthly	Plan Code	Effective Date
DMSB	4380	2190	1095	365	YF8 / ZF8	01-01-10

**PLAN B**  
**MEDICARE (PART A) – HOSPITAL SERVICES – PER BENEFIT PERIOD**

\* A benefit period begins on the first day you receive service as an inpatient in a hospital and ends after you have been out of the hospital and have not received skilled care in any other facility for 60 days in a row.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
<b>HOSPITALIZATION *</b>			
Semiprivate room and board, general nursing and miscellaneous services and supplies			
First 60 days	All but [\$1100]	[\$1100] (Part A Deductible)	\$0
61st thru 90th day	All but [\$275] a day	[\$275] a day	\$0
91st day and after:			
– While using 60 lifetime reserve days	All but [\$550] a day	[\$550] a day	\$0
Once lifetime reserve days are used:			
– Additional 365 days	\$0	100% of Medicare Eligible Expenses	\$0 **
– Beyond the Additional 365 days	\$0	\$0	All Costs
<b>SKILLED NURSING FACILITY CARE *</b>			
You must meet Medicare's requirements, including having been in a hospital for at least 3 days and entered a Medicare approved facility within 30 days after leaving the hospital			
First 20 days	All approved amounts	\$0	\$0
21st thru 100th day	All but [\$137.50] a day	\$0	Up to [\$137.50] a day
101st day and after	\$0	\$0	All Costs
<b>BLOOD</b>			
First 3 pints	\$0	3 pints	\$0
Additional Amounts	100%	\$0	\$0
<b>HOSPICE CARE</b>			
You must meet Medicare's requirements, including a doctor's certification of terminal illness			
	All but very limited copayment/ coinsurance for outpatient drugs and inpatient respite care	Medicare copayment/ coinsurance	\$0

\*\* **NOTICE:** When your Medicare Part A hospital benefits are exhausted, the insurer stands in the place of Medicare and will pay whatever amount Medicare would have paid for up to an additional 365 days as provided in the policy's "Core Benefits." During this time the hospital is prohibited from billing you the balance based on any difference between its billed charges and the amount Medicare would have paid.

**PLAN B**  
**MEDICARE (PART B) – MEDICAL SERVICES – PER CALENDAR YEAR**

\* Once you have been billed [\$155] of Medicare-Approved amounts for covered services (which are noted with an asterisk), your Part B Deductible will have been met for the calendar year.

SERVICES	MEDICARE PAYS	PLAN PAYS	YOU PAY
MEDICAL EXPENSES – IN OR OUT OF THE HOSPITAL AND OUTPATIENT HOSPITAL TREATMENT, such as Physician's services, inpatient and outpatient medical and surgical services and supplies, physical and speech therapy, diagnostic tests, durable medical equipment			
First [\$155] of Medicare Approved Amounts*	\$0	\$0	[\$155] (Part B Deductible)
Remainder of Medicare Approved Amounts	Generally 80%	Generally 20%	\$0
Part B Excess Charges (Above Medicare Approved Amounts)	\$0	\$0	All Costs
BLOOD			
First 3 pints	\$0	All Costs	\$0
Next [\$155] of Medicare Approved Amounts*	\$0	\$0	[\$155] (Part B Deductible)
Remainder of Medicare Approved Amounts	80%	20%	\$0
CLINICAL LABORATORY SERVICES – TESTS FOR DIAGNOSTIC SERVICES	100%	\$0	\$0

**PARTS A & B**

HOME HEALTH CARE MEDICARE APPROVED SERVICES			
– Medically necessary skilled care services and medical supplies	100%	\$0	\$0
– Durable medical equipment			
First [\$155] of Medicare Approved Amounts*	\$0	\$0	[\$155] (Part B Deductible)
Remainder of Medicare Approved Amounts	80%	20%	\$0