

# STERLING LIFE INSURANCE COMPANY

Medicare Supplement Administrative Offices/Customer Service

P.O. Box 5348, Bellingham, WA 98227-5348

(800) 688-0010

## GROUP MEDICARE SUPPLEMENT PLAN F CERTIFICATE - Medicare Eligible by Reason of Age

### IMPORTANT NOTICE ABOUT STATEMENTS IN THE ENROLLMENT FORM

Please read the copy of the enrollment form which is a part of this Certificate. Check to see that all medical history requested is listed. Write Us if any information shown is not right or complete. We issued this Certificate on the basis that the answers to all questions are right and complete. Any wrong or left out statements could cause an otherwise valid claim to be denied.

We, STERLING LIFE INSURANCE COMPANY, promise to pay You, the insured/Certificateholder, the benefits provided by this Certificate. All benefits are subject to its definitions, provisions, limitations and exceptions. We have issued this Certificate in consideration of the payment of the first premium and the statements made in Your enrollment form.

The Group Medicare Supplement Policy issued to the Policyholder determines all rights and benefits which are summarized in this Certificate. We or the Policyholder may end the policy according to its terms, subject to Your conversion privilege described on page 9 of this Certificate.

### RENEWAL CONDITIONS

You may renew Your Certificate for Yourself as long as You may live, subject to the provisions of the Group Policy. To renew, just pay the renewal premiums on or before the renewal date or during the thirty-one (31) days that follow. We cannot refuse to renew this Certificate or place any restrictions on it if You pay the premiums on time, subject to the provisions of the Group Policy.

### RENEWAL PREMIUM

We may change the premium rates for this policy. The change may be due to a change in policy coverage or a new table of rates. We can only change Your premium rate if We change it for all policies of the same class. We will tell You in advance of any change in premium rate.

### YOUR THIRTY (30) DAY RIGHT TO RETURN THIS CERTIFICATE

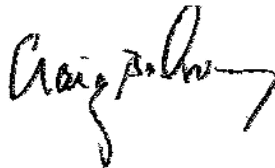
If You are not satisfied with this Certificate, You may return it to Us within thirty (30) days after You receive it. You may return it to Us by mail or to the agent who sold it. We will refund to You any premium paid and this Certificate will be void. An additional ten percent penalty shall be added to any premium refund due which is not paid by Sterling within thirty days of return of the policy to the insurer or agent.

### READ YOUR CERTIFICATE CAREFULLY

This Certificate is a legal contract between You and Us, signed by Our President and Assistant Secretary.



President



Assistant Secretary

**NOTICE TO BUYER: THIS CERTIFICATE MAY NOT COVER ALL OF YOUR MEDICAL EXPENSES. THIS CERTIFICATE IS RENEWABLE FOR LIFE, SUBJECT TO THE GROUP POLICY.**

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**ELIGIBILITY AND EFFECTIVE DATE**

**PERSONS ELIGIBLE FOR COVERAGE**

To be eligible for coverage under this Certificate, You must be:

1. Eligible for Medicare;
2. Enrolled in both Medicare Parts A and B; and
3. A member of the Policyholder group.

**EFFECTIVE DATE OF INSURANCE**

The effective date of insurance for You shall be: «effective\_date»

**CERTIFICATEHOLDER INFORMATION**

Group Number: «group\_number»

Certificateholder: «first\_name» «last\_name»

Certificate Number: «policy\_id»

Initial Premium Mode: «cycle\_code»

Initial Premium Amount: «initial\_prem»

## DEFINITIONS

### **Accidental Injury**

means bodily injury sustained by You which is the direct result of an accident, independent of disease or bodily infirmity or any other cause, occurring while this Certificate is in force, resulting in a loss covered by this Certificate.

### **Benefit Period**

is the time used to measure in-Hospital benefits for expenses covered by Medicare. It begins after the effective date of coverage with the first day You are confined in a Hospital. The date it ends is determined by Medicare.

### **Calendar Year**

is the period beginning on the Issue Date and ending December 31 of that year. Then it's the period from January 1 through December 31 of each following year.

### **Emergency Care**

means bona fide emergency services provided after the sudden onset of a medical condition manifesting itself by acute symptoms of sufficient severity, including severe pain, such that the absence of immediate medical attention, as determined by a prudent layperson, could reasonably be expected to result in:

1. Placing the patient's health in serious jeopardy;
2. Serious impairment to bodily functions; or
3. Serious dysfunction of any bodily organ or part.

### **Hospital**

means a place which is defined as a Hospital and approved for payment as a Hospital by Medicare.

### **Inpatient Lifetime Reserve Days**

means the additional non-renewable sixty (60) days of hospital coverage provided under Medicare Part A for an admission which exceeds ninety (90) days. **Important Note:** Once You use an Inpatient Lifetime Reserve Day, it is not replaced because Inpatient Lifetime Reserve Days are non-renewable.

### **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 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 who is licensed to practice the healing arts. The Physician must perform only those services permitted by his or her license. Services rendered otherwise shall not be covered by this Certificate. "Physician" does not include You or any immediate family member.

### **Sickness**

means illness or disease which results in loss covered by this Certificate. The loss must begin while the Certificate is in force.

### **Skilled Nursing Facility**

means a place which, by law, provides care and treatment to persons who are convalescing as resident bed patients from a Sickness or Injury after a Hospital stay. It must also:

1. Qualify as a Skilled Nursing Facility under Medicare; or be qualified to receive such approval if requested;

2. Have a registered graduate nurse (R.N.) on duty or on call in the place at all times to supervise 24-hour nursing service;
3. Have a Physician to supervise the operation of the place; and
4. Maintain daily medical records for all patients.

Its main purpose must not be to provide Custodial Care, rest-care for the aged or treatment such as that provided by a clinic or sanitarium.

**Total Disability or Totally Disabled**

means Your total inability or incapacity, as a result of injury or sickness, to which extent You are no longer physically or mentally capable of managing Your affairs and lack a third party with authority to act on your behalf.

**We, Us, and Our**

refers to Sterling Life Insurance Company.

**You, Your, and Yours**

refers to the Certificateholder referred to on Page 3.

**BASIC BENEFITS**

We will pay as follows:

1. Coverage of Part A Medicare Eligible Expenses for hospitalization to the extent not covered by Medicare from the 61<sup>st</sup> day through the 90<sup>th</sup> 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 inpatient reserve day used.
3. Upon exhaustion of the Medicare hospital inpatient coverage, including the lifetime reserve days, coverage of One Hundred Percent (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 must accept the issuer's payment as payment in full and may not bill the insured for any balance.
4. Coverage under Medicare Parts A and B for the reasonable cost of the first three (3) pints of blood (or equivalent quantities of packed red blood cells, as defined under federal regulations) unless replaced in accordance with federal regulations.
5. Coverage for the coinsurance amount (or, in the case of hospital outpatient department services under a perspective payment system, the copayment amount) of Medicare Eligible Expenses under Part B regardless of hospital confinement, subject to the Medicare Part B deductible.

The Part A deductible amount, co-payment amounts, and Part B Calendar Year deductible are determined by Medicare.

**ADDITIONAL BENEFITS**

We will pay as follows:

1. Medicare Part A Deductible: Coverage for all of the Medicare Part A inpatient Hospital deductible amount per Benefit Period.
2. Skilled Nursing Facility Care: Coverage for the actual billed charges up to the coinsurance amount from the 21<sup>st</sup> day through the 100<sup>th</sup> day in a Medicare Benefit Period for post-hospital skilled nursing facility care eligible under Medicare Part A.

3. Medicare Part B Deductible: Coverage for all of the Medicare Part B deductible amount per Calendar Year regardless of Hospital confinement.
4. One Hundred Percent (100%) of the Medicare Part B Excess Charges: Coverage for all 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.
5. Medically Necessary Emergency Care in a Foreign Country: Coverage to the extent not covered by Medicare for eighty percent (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 care began during the first sixty (60) consecutive days of each trip outside the United States, subject to a Calendar Year deductible of two hundred fifty dollars (\$250), and a lifetime maximum benefit of fifty thousand dollars (\$50,000). For purposes of this benefit, "emergency care" shall mean care needed immediately because of an Injury or sickness of sudden and unexpected onset.

### **CONTINUATION OF COVERAGE**

Any claim for a continuous loss that begins while this policy is in force will not be affected by the ending of this policy. However, benefits for such continuous loss may be conditioned upon the continuous total disability of You, and are limited to the duration of the Medicare Benefit Period, if any, or the maximum benefits payable. Receipt of Medicare Part D benefits will not be considered in determining a continuous loss.

### **UNIFORM PROVISIONS**

**CHANGES IN MEDICARE COSTSHARING AMOUNTS:** If Medicare changes its deductible and co-insurance amounts, Your Certificate will automatically change to cover the amounts determined by Medicare. Your premium may also be changed at this time. We will give You appropriate notice of such change.

**ENTIRE CONTRACT: CHANGES:** This Certificate, with the attached papers, is the entire contract between You and Us. No change in this Certificate will be effective until approved by one of Our executive officers. This approval must be noted on or attached to this Certificate. No agent may change this Certificate or waive any of its provisions. The enrollment form is a part of this Certificate.

**TIME LIMIT ON CERTAIN DEFENSES:** After two (2) years from the Effective Date of this Certificate, only fraudulent misstatements on Your enrollment form may be used to void this Certificate or deny any claim for loss incurred or disability that starts after the two (2) year period. No claim for loss incurred after the Effective Date of coverage shall be reduced or denied on the ground that a medical condition had existed before the Effective Date of coverage.

**GRACE PERIOD:** This Certificate has a thirty-one (31) day grace period. This means that if a premium is not paid on or before its due date, it may be paid during the thirty-one (31) days that follow. During the grace period this Certificate will stay in force.

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

If We require an enrollment form, You will be given a conditional receipt for the premium. If the enrollment form is approved, this Certificate will be reinstated as of the approval date. Lacking such approval, this Certificate will be reinstated on the 45<sup>th</sup> day after the date of the conditional receipt unless We previously notified You, in writing, of Our disapproval.

The reinstated Certificate will cover only loss which results from an Injury sustained after the date of reinstatement and loss due to Sickness that starts 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 Certificate.

**NOTICE OF CLAIM:** Written notice of claim must be given within 60 days after a covered loss starts or as soon as possible. The notice can be given to Us at Our Administrative Office address shown on Page 1. Notice should include Your name and the Certificate number.

We will accept notice from a Medicare Part B carrier on claims submitted on Your behalf by physicians and suppliers or You may submit the Explanation of Medicare Benefits (EOMB). If You are traveling outside Your home state, You should submit to Us a copy of Your EOMB. When You use a Hospital, they may submit Your claim for You, or You may have to submit the EOMB when You receive it. Notice of claims should include Your name and Certificate number.

**NOTICE OF CLAIM-TIME LIMIT:** Except in the absence of legal capacity, written notice of claim must be received by Us within fifteen (15) months from the time Medicare has determined the eligibility of the claim. If notice is not given in time, the claims may be reduced or denied. The notice can be given to Us at Our administrative office. The notice should contain Your name and Certificate number.

**CLAIM FORMS:** When We receive notice of claim, We will send You forms for filing proof of loss. 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 the loss within the time limit stated in the Proofs of Loss Section.

**PROOFS OF LOSS:** If the Certificate provides for periodic payment for a continuing loss, written proof of loss must be given to Sterling within ninety (90) days after the end of each period for which Sterling is liable. For any other loss, written proof must be given within ninety (90) days after such loss. If it was not reasonably possible to give written proof in the time required, Sterling shall not reduce or deny the claim for this reason if the proof is filed when reasonably possible. In any event, the proof required must be given within one (1) year from the time specified unless the claimant was legally incapacitated.

**TIME OF PAYMENT OF CLAIMS:** Benefits payable under this policy will be paid when We receive proper written proof of loss. If We do not pay the benefits We shall have fifteen (15) business days within which to mail a letter of notice giving the reasons We have for not paying the claims, either in whole or in part. Such notice can be used to itemize any information needed to process the claim or any portions which are not being paid. After We have received all information needed to process the claim, We then have fifteen (15) business days within which to either pay or deny a claim, giving You the reasons for denying, in whole or in part, such claim.

**PAYMENT OF CLAIMS:** All benefits will be paid to You or, if dually assigned, to the Hospital. Any unassigned benefits due and unpaid at Your death may be paid, at Our choice, either to Your estate or beneficiary.

If benefits are payable to Your estate or Your beneficiary who cannot give valid release, We may pay up to \$1,000 to anyone related to You 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 AND AUTOPSY:** Sterling at its expense has the right to have the Insured examined as often as reasonably necessary while a claim is pending. It may also have an autopsy made unless prohibited by law.

**SUBROGATION RIGHTS:** The benefits of this policy will be available to You if You are injured by the act or omission of another person, firm, or corporation. If You receive benefits under this policy for treatment of such injuries, You, or Your personal representative in the event of Your death, shall subrogate Your rights to us to the extent of all payment made by Us for such benefits. You or Your representative agree to cooperate fully with us to secure these rights of subrogation; and to otherwise help us recover benefits we have paid to the extent that such sums exceed the amount required to fully compensate You, including an equitable apportionment of collection costs and legal expenses.

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

**OTHER INSURANCE WITH US:** You may have only one Certificate like this one with Us. If through error, We issue more than one like Certificate to You, only one Certificate chosen by You, or if necessary Your beneficiary or estate, will stay in force. We will return the money You paid for the other policies.

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

**SUSPENSION AVAILABLE DURING MEDICAID ELIGIBILITY:** If You become entitled to medical assistance from Medicaid and, within ninety (90) days after entitlement, notify Us and request a suspension, We will suspend benefits and premiums for You for the period of Medicaid eligibility, not to exceed 24 months (suspension period).

Suspension of Certificate benefits and premiums will begin from the date of Your Medicaid eligibility. When We get the timely notice, to the extent permitted by applicable law or regulation, We will refund any premium paid covering a period beyond the date of eligibility for Medicaid. Any refund will be subject to adjustment for paid claims.

If You lose entitlement to Medicaid benefits during the suspension period and notify Us within ninety (90) days, then effective the date Medicaid entitlement terminated, We will: (a) automatically reinstitute this Medicare Supplement coverage or substantially equivalent coverage which was in effect before the date of suspension, upon payment of the required premium; (b) waive any waiting periods with respect to treatment of pre-existing conditions; and (c) charge a premium at least as favorable as if coverage had not been suspended.

**SUSPENSION AVAILABLE DURING COVERAGE UNDER AN EMPLOYER GROUP HEALTH PLAN:** If you become covered under an Employer Group Health Plan, benefits and premiums can be suspended for as long as you are covered under this Employer Plan. You must ask for suspension within ninety (90) days after your Employer Group Health Plan coverage starts.

We will suspend policy benefits and premiums starting from the date of Your Employer Group Health Plan coverage. We will refund any premium you paid which covers a period beyond the date of Employer Group Health Plan coverage, to the extent permitted by law. Any refund will be subject to adjustment for paid claims.

If you lose coverage under the Employer Group health plan during the suspension period, you can resume coverage under this plan. If you want to resume coverage, you must notify us within ninety (90) days of loss of Employer Group Coverage. When we receive this notice and your premium, We will automatically reinstate this Medicare Supplement plan. We will waive any waiting periods related to pre-existing conditions. We will charge you a premium at least as favorable as you would have received if coverage had not been suspended.

### **TERMINATION**

Your insurance will terminate in the event:

1. You fail to pay the required premium within the time allowed to keep the coverage in force;
2. You cease to be eligible for this plan;
3. We receive written notice that You wish to terminate Your coverage; or
4. The Certificateholder terminates the Group Policy.

If termination is due to an event described in either item 2 or 3 above, the date of termination will be the first day of the month following the event. Any premium paid beyond the termination date will be refunded to You.

## **Pending Claims**

If We terminate coverage for You, it will not affect any pending claim.

A pending claim will include only those medical services and supplies rendered or furnished prior to the date coverage ends.

## **Extension Of Coverage**

If Your coverage ends while You are totally disabled, coverage will be continued for the disabling condition until the earlier of the following dates:

1. The date You are no longer totally disabled; (**Benefit is conditioned upon the continuous total disability**)  
or
2. The date that You exhaust Your Certificate benefit or reach any coverage maximum or limit.

## **CONVERSION PRIVILEGE**

If Your insurance under this Certificate ends for any reason other than:

1. Your failure to pay any premium required to be paid to Us, or
2. The Certificateholder terminates the Group Policy and replaces it with a group insurance policy providing benefits similar to those of this Policy that become effective within thirty one (31) days after this policy ends.

Upon your election, We will issue You a new Medicare Supplement Policy. It will be on a form providing benefits supplementing Medicare which is available to individuals in Your state. You will have at least the following choice of benefits:

1. The minimum Medicare supplement benefits then available by law; or
2. The same benefits You have been provided under this Certificate.

You must apply for the new Policy within thirty-one (31) days after Your insurance ends and pay the first premium. You will not have to provide evidence of insurability. The coverage under Your new Policy will begin when the coverage under this Certificate ends. Premium for the new Policy will be based upon Our table of rates in effect on the date the new Certificate begins.

## **LIMITATIONS OF COVERAGE**

This is a Medicare supplement Certificate. Your coverage is conditional on Medicare's approval of Medicare Eligible Expenses. Services eligible for coverage must therefore be deemed as medically necessary by Medicare. If Medicare does not consider services rendered or expenses incurred as medically necessary, no benefits will be paid. We will not place any limitations on benefits that are more restrictive than Medicare's limitations and restrictions, except as otherwise noted in this Certificate.

No benefits will be paid under Medicare Part A which duplicate payments under Medicare Part B. No benefits will be paid under Medicare Part B which duplicate payments under Medicare Part A. No benefits will duplicate payment made directly by Medicare.