



EVOLUTION

Accident. Critical Illness. Hospitalization.

Evolution is a group fixed hospital indemnity plan that pays a fixed benefit amount for covered medical care.

Unexpected healthcare expenses can leave employees financially vulnerable. Evolution helps lessen the out-of-pocket impact by providing hospital, accident and critical illness coverage in one simple package with benefits that may be used for medical and non-medical expenses in the case of a serious accident or illness.

Underwritten by Independence American Insurance Company, (IAIC), a member of the IHC Group. For more information about IAIC and the IHC Group, visit www.ihcgroup.com. This product is not considered to be Minimum Essential Coverage as defined by the Patient Protection and Affordable Care Act (ACA). Evolution is administered by a Third Party Administrator (TPA).



Plan Design Options and Descriptions

Plan Designs

	Accident Care 1000	Accident Care 2500	Accident Care 2500+	Accident Care 5000+	Critical Care 15000	Hospital Care 1500
Preventive Care (1 day per year)	\$50	\$50	\$50	\$50	\$50	\$50
Accidental Death & Dismemberment (one-time benefit)	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Accident Expense (per accident)	\$1,000	\$2,500	\$2,500	\$5,000		\$2,500
Critical Care (first occurrence)			\$5,000	\$10,000	\$15,000	\$5,000
Hospital Admission 1st Day (1 day per year)						\$1,500

Plan Descriptions

Preventive Care

Although most health plans cover routine physicals and other types of preventive care with no cost-sharing, some people still skip these visits or do not have coverage. With Evolution, insured persons receive a fixed cash benefit for a maximum of one day each year for preventive care.

The benefit is paid as a single sum for periodic health evaluations; including tests and diagnostic procedures ordered in connection with a routine examination, such as annual physicals, routine prenatal and well-child care, child and adult immunizations, cancer screening services, and hearing and vision screening services.

Accidental Death and Dismemberment (AD&D)

The AD&D benefit provides a one-time fixed benefit amount that is paid in total or a portion in the event that a covered employee sustains an accidental bodily injury while covered under this rider. Please consult the rider for additional information and benefit payments. This benefit is not available in all states. Refer to Policy for availability. Benefits are as follows:

1. Death that is a direct result of a covered accidental bodily Injury;
2. Hand. Total, complete and permanent severance of all four fingers, or total, complete and permanent severance of the entire hand at or above the wrist joint;
3. Foot. Total, complete and permanent severance of the entire foot at or above the ankle joint; and
4. Eye. Total and irrecoverable loss of sight.

Accident Expense

In addition to out-of-pocket expenses for medical care, accidental bodily injuries may put a strain on budgets due to missed time from work. Evolution provides benefits for covered accidents up to the selected maximum amount or the actual expense you incur while covered under the rider, whichever is less. Benefits are paid based on the lesser of actual expenses or stated amount per accidental bodily injury. Covered accidental bodily injuries must result directly from an accident and independently of all other causes. Benefits are not paid for intentional, self-inflicted injuries.

Initial charges for the covered injury must be incurred within 90 days of the date of a covered accidental bodily injury and while the person is covered under the Evolution plan. The per-accident benefit is available for any number of accidents, and benefits are paid for up to 52 consecutive weeks from the date of the accidental bodily injury. This accident benefit is not available in all states. Refer to Policy for availability.

Critical Care Coverage

In the event of a covered serious illness such as cancer or heart disease, patients and their family members should be focused on getting the care they need, not on the impact on their finances. Evolution provides a lump-sum payment that is sent directly to the insured and can be used for:

- Out-of-pocket expenses
- Prescriptions
- Living expenses
- Replacement of lost wages

This benefit is paid upon the first occurrence of a specified health event including heart attack, stroke, life-threatening internal cancer, end-stage renal failure, major organ transplant, permanent paralysis or heart by-pass. The diagnosis must be the first of its kind in the insured person's lifetime, and it must be made by a doctor with documentation supported by clinical, radiological, histological and laboratory evidence. Please refer to the Policy for a detailed definition of each covered, specified health event. Benefits are available after an initial 30-day waiting period. Once the benefit has been paid, no further critical care benefits are available under the Policy for the insured person.

A pre-existing condition limitation applies to the critical care benefit. Benefits are not payable in connection with a pre-existing condition during the initial 12 months the insured person has been covered under the plan. A pre-existing condition is any illness or injury for which any diagnosis, medical advice, treatment or prescription medication had been provided or taken in the 12 months immediately preceding the effective date of the insured person's coverage.

First-Day Hospital Admission

Hospitalization can also take a toll on an employee's financial health. This benefit is paid in a single fixed benefit amount for a hospital admission (first day of an inpatient hospital confinement).

Sports

High school, intercollegiate, professional and all other sports are covered under the accident and first-day hospital admission riders. In the event of a covered sports accident, please refer to these riders for coverage information.

Pregnancy

- Routine pre-natal care is covered under the preventive care benefit
- Pregnancy is covered under the hospital first day admission benefit
- Pregnancy is not a specified health event under the critical illness benefit
- Pregnancy is not an accidental bodily injury under the accident expense benefit

Please refer to Policy/Certificate for details.

PPO Network Access as Optional Benefit

For employers that may not offer employees access to discounted medical services through their primary group medical plan, a Preferred Provider Organization (PPO) option is available and may be elected by the Employer. The benefit to the customer is that PPO network providers are contracted to accept discounted fees for services. If they use a participating provider, they will not be billed for medical services above the fees established by the PPO network.

Please note that benefits are paid under the Evolution plan at a fixed amount regardless of any other expense. Employees are eligible for Evolution plan benefits using any healthcare provider. The PPO option is not part of the underlying policy forms used with the Evolution plan and has a separate fee. It is a voluntary add-on that provides additional discounts as shown above.

Not all benefits are offered with all plans. See benefits chart for availability. Not all benefits are offered in all states. See Policy for state availability.

Jim's Bakery plan: Critical Care 15000

Jim's Bakery has nine full-time employees. The owner, Jim, provides them with access to an employee benefits program that includes a high-deductible health insurance plan to help keep monthly premiums affordable; this group major medical plan has a \$5,000 deductible and 100 percent coinsurance.



When one of Jim's employees, Patti, is diagnosed with bladder cancer resulting in \$63,000 in charges from medical providers, this is how Evolution helped significantly reduce the financial impact:

Patti's Medical Expenses

Provider Charges: \$63,000



Patti's Major Medical

Benefits Paid to Provider by Major Medical: \$58,000

Provider Charges

Out-of-Pocket: \$5,000

Patti's Evolution Benefits

Critical Care Benefit: \$15,000

If Patti had only enrolled in major medical coverage, her diagnosis could have left her family with medical bills totaling **\$5,000**. However, her Evolution plan paid **\$15,000 in benefits**. She used **\$5,000 to cover remaining medical expenses** after her major medical benefits were applied, and she still **had \$10,000 left over to help replace** lost income due to time off work, use for car or mortgage payments, or even pay for childcare, groceries and other non-medical expenses.



Additional Information

Eligibility

Plans are guaranteed issue.

Employer Groups

A business with at least five participating employees is eligible for Evolution.

Employees

- Must be directly employed full- or part-time
- Must be 18-99 years of age
- Must be a legal United States resident
- 1099 employees may be considered eligible (a minimum of two W-2 employees must be participating)

Spouse or Domestic Partner

A spouse or domestic partner under the age of 99.

Dependents

- Dependent children under age 26
- Newborns must be added to the policy within 31 days of birth
- Child-only plans not available

Enrollment

Initial enrollment is the period of time during which an employee or dependent is first eligible to enroll under the Policy. After initial enrollment, employees or dependents may enroll in coverage during the annual open enrollment period, unless a special enrollment period applies. Benefit options may only be changed during the annual open enrollment period.

Open Enrollment Period

An annual period during which an insured person and dependents are eligible to enroll for coverage or change benefit plan options.

Late Enrollee

If an employee submits an application after the initial enrollment period, and does not qualify for a special enrollment period, he/she is considered a late enrollee and must wait until the following open enrollment period.

Special Enrollee

For special enrollment criteria, an enrollment application for coverage must be received within 31 days of the loss of coverage or family event.

Employee Choice

For groups of 10 or more, employees may choose between two plan designs. The plan design chosen cannot be combined with any other benefits.

Coordination of Benefits

The Evolution plan does not coordinate benefits with other insurance coverage.

Payment Options

Payment options include ACH, Direct Bill or payroll deductions.

Termination

Termination of an Eligible Employee's Coverage

Coverage for an eligible person shall automatically terminate on the earliest of the following dates: 1) the date of termination of the Policy; 2) the date of termination of any section or part of the Policy with respect to insurance under such section or part; 3) the last day of the month in which you are no longer eligible for insurance under the Policy; 4) the date you or the Policyholder fail to pay the required premium; 5) the date you enter the armed forces of any country, state or international organization, other than for reserve duty of 30 days or fewer or as provided under the Statement of Uniform Services Employment and Reemployment Rights Act of 1994 provision; or 6) the date you are no longer in an eligible class under the Policy.

Termination of a Dependent's Coverage

Coverage for an eligible dependent shall terminate on the earliest of the following dates: 1) the date of termination of the Policy; 2) the date of termination of any section or part of the Policy with respect to insurance under such section or part, including the date that insurance coverage for dependents is no longer offered under the Policy; 3) the date your insurance terminates; 4) the date you or the Policyholder fail to pay the required premium; 5) the last day of the month in which a dependent ceases to meet the definition of a dependent; 6) the date the dependent enters the armed forces of any country, state or international organization, other than for reserve duty of 30 days or fewer or as provided under the Uniform Services Employment and Reemployment Rights Act of 1994; 7) with respect to an eligible person's dependent spouse, the premium due date coinciding with, or next following, the date on which the eligible person is divorced or legally separated from such spouse; or 8) the dependent's date of death.

Exclusions

The following is a list of the Evolution Policy exclusions. Please consult the Policy for a complete description of the charges, services and supplies excluded from coverage. Except as specifically provided for in the Policy, Schedule of Benefits or Benefit Riders, the plan does not provide any benefits for the following charges, treatment, confinements, visits, services, or supplies for or related to:

Any services (including preventive services) which are not medically necessary, except as specified in the Preventive Care Fixed Indemnity Benefit, if included in the Schedule of Benefits. Treatment, services or supplies:

- Which are not due to a sickness or injury, or are not recommended by a doctor
- For which no charge is made or for which the insured person is not required to pay
- Provided by a government-owned or -operated facility, or by government-employed healthcare providers, unless the insured person is legally required to pay the charges incurred
- For any loss sustained, incurred due to, or contracted as a consequence of an insured person being intoxicated or being under the influence of any illegal drug, unless administered by a doctor and taken in accordance with the prescribed dosage
- To improve the appearance or self-perception of an insured person that do not restore a bodily function including, but not limited to cosmetic or plastic surgery, hair loss or skin wrinkling, or the complications of any such treatment
- For breast augmentation, the removal of breast implants, or breast reduction unless medically necessary due to sickness
- To eliminate or reduce a dependency on or an addiction to tobacco
- Related to paring or removal of corns, calluses, bunions or toenails (other than partial or complete removal of nail roots)
- Related to the feet by means of posting or strapping, range-of-motion studies, or orthotics
- For obesity, morbid obesity, weight reduction, or any complications resulting from such weight-reduction surgeries
- Received from a doctor or other provider who is not an insured Person or a close relative of an insured person by blood or marriage and who ordinarily does not reside in the household.
- Received or purchased outside the United States unless the charges are incurred while traveling on business or for pleasure, for a period not to exceed 90 days, and the charges are incurred for an emergency, provided the treatment, services or supplies used in connection with the emergency are approved for use in the United States
- Related to the teeth, gums and any associated structures except for tumors, cuts and injuries; the prevention or correction of teeth irregularities and malocclusion of jaws; and dental implants, regardless of the cause
- As the result of prognathism, retrognathism, micrognathism, or any treatment, services or supplies to reposition the maxilla (upper jaw) mandible (lower jaw), or both maxilla and mandible, unless due to injury that occurs while covered under the Policy to sound, natural teeth, provided that such treatment is received within 12 months following the date of injury
- Provided for temporomandibular joint (TMJ) dysfunction
- For complications of conditions that are not covered under the Policy except for complications from a voluntary abortion;

Additionally:

- Hospital and doctor charges for weekend admission occurring between noon on Friday and noon the following Sunday for non-emergency procedures, unless medically necessary or surgery is scheduled for the next day
- A sickness or injury which arises out of or in the course of any employment for wage or profit, or for which the insured person has or had a right to recovery under any workers' compensation or occupational disease law
- Physical or psychological examinations required by any third party
- An illness or injury incurred while on active duty with the military
- A sickness or injury resulting from war or any act of war (declared or undeclared), or participation in a riot or insurrection
- A sickness or injury incurred during the commission or attempted commission of a crime or felony, while engaged in an illegal act, or while imprisoned
- Surgery to correct refractive errors, such as radial keratotomy or radial keratectomy, routine eye exams, glasses, visual therapy, or contact lenses
- Routine hearing exams to assess the need for, or change to, hearing aids and the purchase, fittings or adjustments of hearing aids
- Penile implants and fertility and sterility studies; treatment, services or supplies to restore or enhance fertility; voluntary sterilization, including vasectomy or tubal ligation, or to reverse sterilization
- Impregnation techniques such as artificial insemination or in vitro fertilization
- Voluntary abortion, except if the life of the mother would be in danger if the fetus were carried to term or for complications from a voluntary abortion
- Mental illness disorders, except as specified in the Inpatient Mental Illness Disorders Fixed Indemnity Benefit, if such benefit is included in the Schedule of Benefits
- Substance Use, except as specified in the Inpatient Substance Use Fixed Indemnity Benefit if such benefit is included in the Schedule of Benefits
- Marriage or family counseling, recreational therapy, equine therapy, educational therapy, social therapy, or sex therapy
- Sexual reassignments or sexual dysfunctions or inadequacies
- Meridian therapy (acupuncture)
- Custodial care, regardless of who prescribes or renders such care
- Email consultations, missed appointment fees, fees for completing claim forms, and fees related to the costs of obtaining medical records as necessary under the Required Information provision
- Outpatient prescription medications
- Physical, speech and occupational therapy
- Hospice care or home healthcare

This brochure provides a brief description of the benefits, exclusions and other provisions of the Certificate of Coverage (form IAIC LMB CERT 0115 – may vary by state). For complete listings, see the Certificate of Coverage.

These products are not qualifying health coverage (“Minimum Essential Coverage”) that satisfies the health coverage requirement of the Affordable Care Act. If you don’t have Minimum Essential Coverage, you may owe an additional payment with your taxes. The termination or loss of this policy does not entitle you to a special enrollment period to purchase a health benefit plan that qualifies as minimum essential coverage outside of an open enrollment period. These products may include a pre-existing condition exclusion provision.

About Independence American Insurance Company

Independence American Insurance Company is domiciled in Delaware and licensed to write property and casualty insurance in all 50 states and the District of Columbia. Its products include short-term medical, employer medical stop-loss, hospital indemnity, fixed indemnity limited benefit, group and individual dental, pet insurance, and non-subscriber occupational accident insurance in Texas. Independence American is rated A- (Excellent) for financial strength by A.M. Best, a widely recognized rating agency that rates insurance companies on their relative financial strength and ability to meet policyholder obligations (an A++ rating from A.M. Best is its highest rating).

The Loomis Company

The Loomis Company (Loomis), founded in 1955, has been a leading Third Party Administrator (TPA) since 1978. Loomis has strategically invested in industry leading ERP platforms, and partnered with well-respected companies to enhance and grow product offerings. Loomis supports a wide spectrum of clients from self-funded municipalities, school districts and employer groups, to large fully insured health plans who operate on and off state and federal marketplaces. Through innovation and a progressive business model, Loomis is able to fully support and interface with its clients and carriers to drive maximum efficiencies required in the ever evolving healthcare environment.

About The IHC Group

Independence Holding Company (NYSE: IHC) is a holding company that is principally engaged in underwriting, administering and/or distributing group and individual specialty benefit products, including disability, supplemental health, pet, and group life insurance through its subsidiaries since 1980. The IHC Group owns three insurance companies (Standard Security Life Insurance Company of New York, Madison National Life Insurance Company, Inc. and Independence American Insurance Company), and IHC Specialty Benefits, Inc., a technology-driven insurance sales and marketing company that creates value for insurance producers, carriers and consumers (both individuals and small businesses) through a suite of proprietary tools and products (including ACA plans and small group medical stop-loss). All products are placed with highly rated carriers.

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