

Short Term MedicalSM

Temporary Health Insurance for FACT Members



Waiting for other coverage

Golden Rule[®]

\$1,000,000 Short Term MedicalSM

from Golden Rule Insurance Company

Optional Periods of Coverage:

1-6 months. (Florida: 1-4 months.)

Deductible Amounts Available:

\$250, \$500, \$1,000, or \$1,500.

This is how benefits are calculated with the stated deductible:

First:

You pay the stated deductible for each illness or injury.

Then:

The insurance pays 80%* of the next \$5,000 of covered expenses.

You pay 20%.*

Then:

The insurance pays 100% of remaining covered expenses.

For up to 12 months.

**Optional 50/50 coinsurance available at a reduced premium.*

12-Month Extension of Benefits

If a covered person is hospital-confined during the certificate term, benefits can be paid for up to 12 months after confinement for that illness or injury.

60-Day Extension of Benefits

Benefits can be paid for up to 60 days after the end of the certificate term for an illness or injury, provided the deductible is met for that illness or injury during the certificate term.

Not available in all states.

This brochure is only a general outline of our standard short-term benefits. Please see pages 7-9 for state variations. This is not an insurance contract. Please read your certificate carefully.

Complete coverage details are provided in the policy and certificates. In most cases, coverage will be determined by the master policy issued in Illinois and subject to Illinois law.

Deductible and Benefit Period per Condition

For each condition (illness or injury), you will have a deductible and a maximum benefit period. A benefit period begins when you are hospital-confined or meet the full amount of the deductible for an illness or injury during the certificate term. You may have more than one benefit period running at a time if you have more than one illness or injury for which you are hospital-confined or have met the full amount of the deductible.

Group -- Coordination of Benefits

If, after coverage is issued, a covered person becomes insured under a group plan, benefits will be determined under the Coordination of Benefits (COB) clause. COB allows two or more plans to work together so that the total amount of all benefits will never be more than 100 percent of allowable expenses during any calendar year. COB also takes into account medical coverage under auto insurance contracts.

Dependents

Under your Short Term certificate, you may also insure your spouse, your natural or adopted children, and your spouse's natural or adopted children. All children applying for insurance must be unmarried, living with you, financially dependent on you for support, and either: (1) under 19 years of age; or (2) under 23 years of age and attending an accredited vocational school, college, or university as full-time students.

Limitations

Diagnosis or treatment of mental or nervous disorders, including mental incapacity and substance abuse, will be limited to a maximum of \$3,000 per covered person, per benefit period. Outpatient diagnosis or treatment of mental or nervous disorders will be further limited to \$50 per visit.

Expenses relating to diagnosis or treatment of any spine or back disorders will be limited to \$50 per visit and to no more than six visits in any three-month period.

*Short Term
MedicalSM*

Covered Expenses

Subject to all certificate provisions, the following expenses are covered:

- Daily hospital* room and board at most common semiprivate rate; reasonable and customary charges for intensive care unit.
- Hospital charges for inpatient use of an operating, treatment, or recovery room.
- Hospital emergency treatment of an injury (even if confinement is not required).
- Professional fees of doctors and surgeons.
- Diagnostic X ray and laboratory tests, in or out of the hospital.
- Prescription drugs.
- Ground ambulance service to a hospital for necessary emergency care.
- Cost and administration of an anesthetic.
- Radiation therapy.
- Hemodialysis, processing, and administration of blood or components (but not the cost of the actual blood or components).
- Cost and administration of oxygen and other gases.
- Rental of wheelchair, hospital bed, and other durable medical equipment.
- Diagnostic tests, in or out of the hospital.
- Dressings and other necessary medical supplies.
- Artificial eyes, limbs, breast prosthesis, or larynx (but not replacement).
- Surgery to treat craniomandibular disorders, malocclusions, or disorders of the temporomandibular joint, limited to a combined \$10,000 lifetime maximum per covered person.
- Outpatient surgery at an outpatient surgical center.
- Mammograms, Pap smears, prostate-specific antigen testing, and other preventive care as specified in the certificate.

* Hospital does not include a nursing or convalescent home, or an extended care facility.

Transplant Expense Benefit

The following types of transplants are eligible for coverage.

Tissue Transplants

- Cornea transplants
- Artery or vein grafts
- Heart valve grafts
- Prosthetic tissue and joint replacement
- Prosthetic lenses for cataracts

Listed Transplants

- Heart
- Lung
- Heart/Lung

- Bone marrow**
- Liver
- Kidney

Golden Rule has arranged for certain hospitals across the country (referred to as our “Centers of Excellence”) to perform transplant services for Listed Transplants. If you use one of our “Centers of Excellence,” Listed Transplants will be considered the same as any other illness and will include a transportation and lodging benefit (for a family member) of up to \$5,000. Otherwise, covered expenses related to a Listed Transplant will be limited to \$100,000 and one transplant in a 12-month period.

To qualify for Listed Transplant payment, the patient must be an appropriate candidate according to the criteria stated in the certificate and the transplant must not be experimental or investigational.

In considering these issues, we consult doctors with expertise in the type of transplant proposed.

** Allogeneic bone marrow transplants (BMT) for treatment of: non-Hodgkin’s lymphoma; acute lymphocytic and nonlymphocytic leukemia; stage III or IV neuroblastoma; multiple myeloma; severe aplastic anemia; chronic myelogenous leukemia; severe combined immunodeficiency; myelodysplastic syndrome; Wiskott-Aldrich syndrome; and Thalassemia major.

Autologous bone marrow transplants (ABMT) for treatment of: Hodgkin’s or non-Hodgkin’s lymphoma; acute lymphocytic and nonlymphocytic leukemia; stage III or IV neuroblastoma; multiple myeloma; high-risk stage II or III breast cancer with greater than ten positive axillary nodes; chemosensitive relapse breast cancer; acute myelogenous leukemia; and testicular cancer.

Exclusions

NO BENEFITS ARE PAYABLE FOR EXPENSES WHICH:

- Are not specifically provided for in the certificate or which are not incurred during a benefit period.
- Would not have been charged in the absence of insurance.
- Are for preventive care, except as expressly provided for under the certificate.
- Are incurred while confined primarily for custodial, rehabilitative, or educational care, or nursing services.
- Are incurred for modification of the body, cosmetic treatment, or aesthetic reasons.
- Result from self-inflicted injury, act of war, or participation in a riot or felony.
- Exceed the reasonable and customary charges.

NO BENEFITS ARE PAYABLE FOR:

- Preexisting conditions -- A condition: (1) for which medical advice, diagnosis, care, or treatment was recommended or received within the 24 months immediately preceding the date the covered person became insured under the cer-

tificate; or (2) that had manifested itself in such a manner that would have caused an ordinarily prudent person to seek medical advice, diagnosis, care or treatment within the 12 months immediately preceding the date the covered person became insured under the certificate.

A pregnancy existing on the effective date of coverage will also be considered a preexisting condition.

- Employment-related injury or illness (unless self-employed and not covered by Workmen’s Compensation coverage).
- Pregnancy or routine well-baby care.
- Dental services or procedures; eyeglasses, contacts, eye refraction, visual therapy, hearing aids, or any examination or fitting related to these.
- Charges for use of hospital emergency room due to illness (unless confined).
- Any drug, treatment, or procedure that promotes or prevents conception or prevents childbirth, including abortion, sterilization, artificial insemination, or treatment for infertility or impotency.
- Television, telephone, or expenses of other persons.
- Treatment of temporomandibular disorders (except as stated in covered expenses).
- Marriage, family, or child counseling.
- Recreational or vocational therapy or rehabilitation.
- Services performed by an immediate family member.
- Procedures, services, or supplies that are considered to be investigational treatment.
- Treatment of mental disorders or substance abuse, unless expressly provided for by the policy.
- Durable medical equipment, except as provided for under covered expenses.
- Expenses incurred outside of the United States, except for expenses incurred in conjunction with emergency treatment of a covered person.
- Diagnosis or treatment of learning disabilities, attitudinal disorders, or disciplinary problems.
- Occupational therapy or outpatient speech therapy, except as provided for by the policy.
- Services or supplies that are not ordered or administered by a doctor, or that are not medically necessary to the diagnosis or treatment of an illness or injury.

Effective Date

Your certificate will take effect on the later of: (1) the requested effective date; or (2) the day after the postmark date affixed by the U.S. Postal Service,** but only if the following conditions are satisfied:

- Your application and the appropriate premium payment are actually received at our Home Office within 15 days of your signing;
- You are a member of the Federation of American Consumers and Travelers or another qualified association;
- Your application is properly completed and unaltered;
- You have answered “no” to question 2 (if other questions are answered “yes,” we will exclude the person(s) listed);

- (e) You are a resident of a state in which the certificate form can be issued;
- (f) If the application is submitted by an agent or broker, the agent or broker is properly licensed to submit applications to Golden Rule; and
- (g) You have not been insured under more than one prior Golden Rule Short Term policy/certificate.

*** If mailed and not postmarked by the U.S. Postal Service or if the postmark is not legible, the effective date will be the later of: (1) the date you requested; or (2) the date received by Golden Rule. If the application is sent by any electronic means, your certificate will take effect on the later of: (1) the requested effective date; or (2) the day after the date received by Golden Rule.

Renewability

Your Short Term certificate is not renewable. You may apply for one additional certificate. This second certificate will not be a continuation of the first.

We may cancel coverage if there is fraud or material misrepresentation made by or with the knowledge of a covered person in filing a claim for benefits.

State Variations

Alaska

- Formulas for PKU are covered the same as any illness.

Arkansas

- The exclusion for TMJ disorders does not apply.

Florida

- Child health supervision services (well-child care services) are not subject to the deductible.
- Optional periods of coverage are 1–4 months.

Georgia

- The limiting age for a child attending an accredited college on a full-time basis to be considered a dependent is changed from 23 to 25.
- Certain child-wellness services are covered and not subject to the deductible.

Iowa

- The spine and back limitation does not apply.

Mississippi

- The references to 24 and 12 months in the definition of a preexisting condition are both changed to six months.

Missouri

- The exclusion for expenses incurred as a result of self-inflicted injury does not apply if the covered person was insane or if the injury resulted from an attempted suicide.

Ohio

- Outpatient treatment for alcoholism or mental or nervous disorders is limited to \$550 a calendar year.

Oklahoma

- Mammograms are limited to a \$75 maximum and are not subject to the deductible or coinsurance.
- The spine and back limitation does not apply.
- Childhood immunizations exempt from the deductible.

Pennsylvania

- Childhood immunizations are not subject to the deductible.
- Formulas or nutritional supplements for PKU and other metabolic disorders are covered, and are not subject to the deductible.

Texas

- Treatment of TMJ disorders are covered the same as any other illness.
- Formulas necessary for the treatment of phenylketonuria (PKU) are covered the same as any other illness.
- With respect to fees charged for covered expenses, reasonable and customary charges mean the most common charge for similar expenses within the area in which the expense is incurred so long as these charges are reasonable. What is reasonable and customary will be determined by Golden Rule based on the factors stated in the policy.
- Inpatient diagnosis or treatment of mental or nervous disorders or mental incapacity will be covered the same as any other illness, subject to the \$3,000 life-time maximum benefit and other terms of the policy. For example, as with any other illness or injury, inpatient treatment which is primarily for educational or rehabilitative care will not be covered.
- A preexisting condition is an injury or illness for which the covered person received medical advice or treatment within the 12 months immediately preceding the effective date of coverage.
- Limited benefits are provided for the diagnosis and treatment of chemical dependency.
- AIDS and HIV-related disease claims will be limited to \$5,000 per calendar year, provided the conditions under the limited exclusion for AIDS or HIV-related disease are met.
- “Medically necessary” is a defined term and means that a service, medicine, or supply is necessary and appropriate for the treatment of an illness or injury as determined by Golden Rule based on factors stated in the policy.
- The Coordination of Benefits provision also takes into account personal injury protection coverage, whether provided under a group or individual contract.
- Childhood immunizations are not subject to the deductible.
- Oral contraceptives are considered a covered expense.

Virginia

- A preexisting condition is an injury or illness for which the covered person received medical advice or treatment within the 12 months immediately preceding the effective date of coverage.

Wisconsin

- Covered expenses for all diagnoses or treatments of mental or nervous disorders and substance abuse are subject to the deductible and coinsurance and will be limited to a maximum benefit of \$7,000 or 30 days treatment, whichever is less. Outpatient treatment is further limited to a maximum benefit of \$2,000.
- Limited coverage for nonsurgical treatment of TMJ is provided.
- The spine and back limitation does not apply.

Golden Rule Insurance Company

Notice of Information Practices

THIS NOTICE DESCRIBES HOW MEDICAL AND OTHER PERSONAL INFORMATION ABOUT YOU MAY BE USED AND DISCLOSED. IT ALSO DESCRIBES HOW YOU CAN GET ACCESS TO THIS INFORMATION. PLEASE REVIEW THE NOTICE CAREFULLY.

You entrust us with individually identifiable health and financial information (referred to as “personal information” in the rest of this notice). You are our best and most important source of information about you and others listed on your application. We may also collect personal information about you from others. For example, we may collect it from health care providers, employers, or insurance companies.

EXAMPLES OF INFORMATION WE MAY COLLECT AND MAINTAIN

Your name, address, telephone number, social security number, date of birth, gender, marital status, assets, income, E-mail address, policy or account number, account balance, policy coverage, premium payment, claims history, premium contribution amounts, medical information, motor vehicle reports, details about your transactions with other insurance companies, and details from consumer reporting agencies.

INFORMATION WE ARE PERMITTED TO USE AND DISCLOSE WITHOUT AN AUTHORIZATION

We may use and share the personal information described above. We will use and share it only as permitted or required by law. Examples include, but are not limited to, the following situations:

- To a company affiliated with us.
- To those who act on our behalf. They are required to keep the information confidential. They are required to use the information only to provide the services we have asked them to provide. They may include payment processing companies, mailing houses, data processing companies, system support vendors, Internet vendors, and those that provide access to provider discounts for our insureds.
- To financial institutions with which we jointly offer, endorse, or sponsor a financial product or service.
- To the individual who is the subject of the information.
- To an insurance regulatory authority.
- For payment such as using details received from an insurance company to coordinate benefits.

- For payment such as to a health care provider to identify insurance coverage or benefits.
- For health care operations such as exchanging information with another insurance company to detect or prevent criminal activity, fraud, and material misrepresentation.
- To a group health plan sponsor.
- For public health activities such as to prevent or control disease, injury, or disability.
- To health oversight agencies for compliance purposes.
- In response to a court or administrative order.
- In response to a subpoena, discovery request, or other lawful process by another person involved in a dispute.
- For law enforcement purposes.
- To coroners, medical examiners, or funeral directors.
- To avert a serious threat to health or safety to you, another person, or the public.
- To federal officials for intelligence, counter-intelligence, and other national security activities.
- To worker’s compensation or other programs that provide benefits for work-related injuries or illness.

ALL OTHER USES AND DISCLOSURES OF PERSONAL INFORMATION

All other uses and sharing of personal information, not permitted or required by law, will be made only with your written authorization. You may revoke the authorization in writing. If you do, we will no longer use or share the information for the reasons covered by the authorization -- unless we have taken action based on the authorization. We are unable to withdraw any disclosures we have already made with your authorization.

YOUR RIGHTS REGARDING YOUR PERSONAL HEALTH INFORMATION

With respect to your personal health information, you have the following rights:

- To inspect and obtain a copy of it.
- To request that we amend it.
- To receive details about our sharing of it.
- To request that we communicate with you about it by alternative means or at an alternative location if our sharing of all or part of it could endanger you.
- To request that we restrict the use and sharing of it. (We do not have to agree.)

There are some exceptions to these rights. Please send a written request to the address below.

FORMER CUSTOMERS

If your customer relationship with Golden Rule ends, we will still treat your information as described in this notice.

SECURITY OF PERSONAL INFORMATION

We maintain physical, administrative, and technical safeguards to guard your information. We limit employee access to information based on job duties.

FAIR CREDIT REPORTING ACT NOTICE

In some cases, we may ask a consumer reporting agency to compile an investigative consumer report about you. If we request such a report, we will notify you promptly with the name and address of the agency that will furnish the report. You may request in writing to be interviewed as part of the investigation. The agency may retain a copy of the report. The agency may disclose it to other persons as allowed by the federal Fair Credit Reporting Act.

MEDICAL INFORMATION BUREAU

We or our reinsurers may make a report of personal information in conjunction with our membership in the Medical Information Bureau (MIB). This is a nonprofit organization of life insurance companies, which operates an information exchange on behalf of its members.

If an application or claim for benefits is submitted to another Bureau member company for life or health insurance coverage, the Bureau, upon request, will supply such company with information in its file.

If you question the accuracy of information in the Bureau's file, you may seek a correction in accordance with the procedures set forth in the federal Fair Credit Reporting Act. Contact the Bureau at:

MIB, Inc.
P.O. Box 105
Essex Station
Boston, MA 02112
617-426-3660
www.mib.com

OUR DUTIES

We are required to keep your personal information private. We are providing this notice of our legal duties and privacy practices. We will abide by the terms of this notice as currently in effect.

If you believe your privacy rights have been violated, you may send a written complaint to Golden Rule at the address below. You may also write to the Secretary of the Department of Health and Human Services. We will not take action against you for filing the complaint.

You will receive this notice each year. We reserve the right to change the terms of our notice. We reserve the right to make the new notice apply to all personal information that we maintain. We will send a new notice within 60 days of any material change. We will mail it to your last known address or by E-mail if you have agreed to electronic notice. For more information or to obtain a copy, please contact:

Golden Rule Insurance Company
Attn: Privacy Official
712 Eleventh Street
Lawrenceville, IL 62439
618-943-5064

This notice, effective April 2003, is being provided on behalf of Golden Rule Insurance Company and the following affiliated companies: *Ad-Ventures, Inc.; All Savers Insurance Company; Career Agency; Executive Systems; Golden Rule Financial Corporation; and Rooney Life Insurance Company.*

Applying for Short Term MedicalSM Coverage

It's easy to apply for this coverage.

Once you have read and understood the contents of this brochure, refer to your state-specific **Application and Payment Information.**

Mailing address
on next page.

Read the application and instructions carefully.

Figure out your payment. Fill out the **Application for Short Term Medical Insurance** and the **FACT Membership Enrollment Form**. Choose how you wish to pay under **Payment Options**.

If Single Payment option:

Make check or money order payable to FACT; or complete the **Single Payment: Credit Card** section on the application if you are paying by credit card.

If Monthly Payment option:

Complete the **Monthly Payment: Preauthorized Charge (P.A.C.) Authorization** section on other side. Be sure to include a voided blank check or a blank deposit slip for your checking account with this authorization.

NOTE: This payment option requires a \$10 monthly billing fee and adds to the premium costs.

Two ways to send in your payment:

- 1) **By mail:** Return your application with method of payment. Please place a postal stamp on the envelope you provide.
- 2) **By fax:** If you are making the Single Payment option by credit card, you can do so by fax. For easier faxing, either separate the two-page application into two sheets, or photocopy onto two letter-sized pages. Fax your application with credit card information directly to Golden Rule at **618-943-8031**.

**For questions or other information,
please contact your insurance broker.**

*Short Term
MedicalSM*

Short Term MedicalSM Application Checklist

- 1) **Read the brochure carefully.**
- 2) **Read and understand the Instructions for Applying for Coverage.**
- 3) **Carefully complete the section To Calculate Payment(s), choosing your method of payment.**
- 4) **Completely fill out the FACT Membership Enrollment Form.**
- 5) **Completely fill out the Application For Short Term Medical Insurance.**
- 6) **Select your method of payment and include/fill out the appropriate payment information.**
Include check or money order; or fill out Credit Card Authorization or Preauthorized Charge (P.A.C.) Authorization
- 7) **Place a postal stamp if mailing back to the following address:**

Golden Rule Insurance Company
HEALTH APPLICATION, STM
Home Office
712 Eleventh Street
Lawrenceville, Illinois 62439

World of FACT Value

FACT makes it possible for members to pick and choose from a full menu of important benefits:

- Prescription drug discounts
- Eye-wear savings
- Van line discounts
- Vitamins, minerals, and other health products at a 20% savings
- Health insurance plans
- Consumer library
- *Consumer hotline* referral service
- Amusement park discounts
- Travel service and savings
- Informative newsletter
- Other special buying opportunities as they become available throughout the year

Plus . . .

- *You may apply for:* FACT scholarships, classroom grants, and community project grants
- *You are eligible to request:* Financial assistance in the event of a natural disaster
- *You are kept aware of matters of importance through:* FACT's legislative watch

Benefits and suppliers change from time to time.

For the most current information:

Visit FACT's Web site (<http://www.fact-org.org>).

Or call toll-free (1-800-USA-FACT).

These health insurance plans are available as group coverage only to members of FACT. If you're not already a member, you must join FACT.

When you join FACT and sign up for insurance with Golden Rule, you enjoy group benefits and maintain your independent status!

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