

OUTLINE OF BENEFITS

Hospital-Surgical-Medical Coverage

PPO

HSMPP0-2009 COVERED FEATURES

The plan pays up to **\$2,000,000 of Eligible Expenses** per covered injury or sickness with a **\$10,000,000 lifetime maximum** for all insureds • **\$250,000 Calendar Year Outpatient Medical Benefit** • **Outpatient Physician Visit Co-pay Benefit - no limit on number of visits**

IN-NETWORK DEDUCTIBLE

Choose your Calendar Year Deductible
\$2,000 / \$4,000 / \$5,000 / \$10,000 / \$15,000 / \$25,000
 The calendar year deductible must be satisfied each year.
 (Maximum of 3 persons per year per family)

OUT-OF-NETWORK DEDUCTIBLE

\$2,000 per person in addition to In-Network Deductible
 The calendar year deductible must be satisfied each year.
 (Maximum of 3 persons per year per family)

CHOOSE YOUR BENEFIT PERCENTAGE AND CO-INSURANCE AMOUNT

80% / 70% / 60% / 50%
 Eligible Expenses* will be paid based on the Benefit Percentage which you select, according to whether services are in-network or out-of-network after satisfaction of the Deductible. Eligible Expenses will be paid at 100%* for the remainder of the same Calendar Year after both the Deductible and the Co-Insurance Maximum amount are satisfied.

IN-NETWORK BENEFITS

	80/20	70/30	60/40	50/50
Co-insurance				
Stop Loss Amount	\$10,000	\$10,000	\$10,000	\$10,000
Out-of-Pocket Maximum	\$2,000	\$3,000	\$4,000	\$5,000

OUT-OF-NETWORK BENEFITS

	60/40	50/50	50/50	50/50
Co-insurance				
Stop Loss Amount	\$10,000	\$15,000	\$20,000	\$25,000
Out-of-Pocket Maximum	\$4,000	\$7,500	\$10,000	\$12,500

Co-Insurance Maximum amounts required of only 3 persons per year for each family.
 Deductible and Co-Insurance amounts do not include Enhanced Outpatient Medical Benefit expenses.

INPATIENT HOSPITAL EXPENSES

Subject to Calendar Year Deductible and Benefit Percentage

- Hospital Room at Semi-Private Rate
- Operating Room
- Recovery Room
- Intensive Care Unit Facilities
- Anesthesia
- Oxygen
- Laboratory Services
- X-Rays
- Electrocardiograms
- Blood and Blood Products
- Surgical Dressings
- Central Supplies
- Casts and Splints
- Braces
- Drugs
- Medicines
- Hypodermics
- Chemotherapy
- Physical Therapy
- Any Other Medically Necessary Hospital Expenses Not Listed

If you are confined in a Hospital on an inpatient basis for a covered injury or sickness, the plan will pay for the medically necessary Eligible Expenses* shown at left which are incurred in the course of your treatment.

INPATIENT MEDICAL/SURGICAL BENEFITS

Subject to Calendar Year Deductible and Benefit Percentage

- Surgeons' Fees (for surgical operations)
- Assistant Surgeons' Fees (for surgical operations)
- Pathologists' Fees
- Physicians' hospital room visits while confined (other than surgeon)
- Physiotherapists' Fees
- Anesthesiologists' Fees for anesthesia administration
- Radiologists' Fees

If you are confined in a Hospital on an inpatient basis for a covered injury or sickness, the plan will pay for the medically necessary Eligible Expenses* shown at left which are incurred during your confinement.

*Out-of-Network Benefits are paid based on Usual and Customary Charges - see definition on subsequent page.

OUTPATIENT SURGICAL BENEFITS

Hospital or Ambulatory Surgery Facility Fees
Surgeons' Fees for surgical operations

Assistant Surgeons' Fees for surgical operations
Anesthesiologists' Fees for anesthesia administration

Pathologists' Fees
Radiologists' Fees

Subject to Calendar Year Deductible and Benefit Percentage

If you have a surgical operation performed on an outpatient basis due to a covered injury or sickness, the plan will pay for the medically necessary Eligible Expenses* shown at left.

ADDITIONAL BENEFITS

Ambulance – \$500 Eligible Expense maximum per year

Prostate Cancer Screening

Diabetes Treatment

Home Health Care – \$20,000 Eligible Expense maximum per year

Well Child Care – Birth to age 12 Unlimited Visits, Ages 12 to 21 – 3 visits per child/year

Hospice Care – Lifetime maximum is lesser of \$10,000 or 180 days of Eligible Expenses

Mammography and Cytological Screening** (Not Subject to Deductible or Benefit Percentage) Baseline, annual, and medically necessary screenings

** Includes listed charges only - does not include office visits or other lab charges.

OUTPATIENT PHYSICIAN VISIT BENEFITS

IN NETWORK CO-PAYMENT

You will be responsible for a co-payment in the amount of thirty dollars (\$30.00) per office visit to an In-Network Primary Care Physician or sixty dollars (\$60.00) per office visit to an In-Network Physician who is a Specialist.

OUT-OF-NETWORK CO-PAYMENT*

You will be responsible for a co-payment in the amount of sixty dollars (\$60.00) per office visit to an Out-of-Network Primary Care Physician or one hundred dollars (\$100.00) per office visit to an Out-of-Network Physician who is a Specialist.

This benefit is for the Physician office visit charge only and must be for a covered injury or sickness. Routine physical examinations are excluded.

ENHANCED OUTPATIENT MEDICAL BENEFIT

Radiology (X-Rays)

Pathology (Lab. Svcs.)

Upper/Lower G.I. Series

CAT Scans

Myelograms

Pyelograms

Angiograms

Magnetic Resonance Imaging

Sonograms

Ultrasound

Chemotherapy Treatments

Cobalt Treatments

Irradiation Treatments

Electrocardiograms

Electro-encephalograms

Electromyograms

Nerve Conduction Studies

Pneumo-encephalograms

Emergency Room Facility Fees**

Surgical Dressings

Non-Surgical Anesthesia

Casts, Splints and Braces

Central Supplies

Kidney Dialysis

Durable Medical Equipment

Maximum of \$2,500 per Insured per Calendar Year

Physical Therapy - Not to exceed the lesser of 25 treatments or \$2,000 per Insured per Calendar Year

Occupational Therapy - Not to exceed the lesser of 25 treatments or \$2,000 per Insured per Calendar Year

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\$250,000 maximum per Calendar Year

IN NETWORK DEDUCTIBLE

Choose your In-Network Calendar Year Deductible

\$1,000 / \$1,500 / \$2,000 / \$2,500 / \$5,000 / \$10,000

(Maximum of 3 persons per year per family)

IN NETWORK BENEFIT AMOUNT AND CO-INSURANCE

80%/20% - Up to \$10,000 of Eligible Expenses

OUT-OF-NETWORK DEDUCTIBLE

\$1,000 per person in addition to in-network deductible

OUT-OF-NETWORK BENEFIT AMOUNT AND CO-INSURANCE

60%/40% - Up to \$10,000 of Eligible Expenses*

After you satisfy the Deductible and incur \$10,000 of Eligible Expenses under this benefit, additional Eligible Expenses covered under this benefit will be paid at 100% for the remainder of the same Calendar Year.

Eligible Expenses are the specified medically necessary outpatient medical services and treatments shown on the left and received in a Physician's office or clinic, Hospital, or ambulatory surgery facility due to a covered injury or sickness.

The Maximum amount of Eligible Expenses is \$250,000 per Calendar Year per Insured. This benefit does not provide coverage for physician's fees, prescription drugs, routine exams, or other services not listed. This benefit does not cover any expenses paid for or considered in part or in whole under another part of the Certificate or under any attached Riders.

** For Oklahoma residents, this benefit is payable only under the base plan for a Medical Emergency.

Women's Health and Cancer Rights Act

Federal law requires this plan to provide coverage for reconstructive breast surgery after a mastectomy, prostheses, and physical complications including lymphedemas. Coverage is subject to deductibles and benefit percentages for similar expenses under the plan.

*Out-of-Network Benefits are paid based on Usual and Customary Charges - see definition on subsequent page.

Notice to Applicants

Your Effective Date will be assigned by the Home Office. Insurance Coverage is Not Effective Until the Coverage Applied for has been Accepted, Approved and Issued in Writing by National Health Insurance Company.

Completing the Application does not mean that coverage is in force. Please allow two to three weeks following approval for delivery of your Certificate, I.D. Cards and Membership Documents.

Association membership is required to apply for coverage.

Notice of Information Practices

In order to underwrite your application for insurance and to administer your coverage after issue, National Health must collect information about you and any other persons included on your insurance application. In general, we will be seeking information about age, occupation, physical condition, health history, lifestyle, avocations, and other personal characteristics. You and any other applicants are our most important sources of information, but we may also collect or verify information with other sources such as medical care providers and insurance support organizations.

National Health is committed to maintaining the confidentiality of your personal information. We will release information only as specifically authorized by you in writing or as we are allowed or required to by law without prior authorization.

Procedures have been established by which you can obtain access to any personal information about you that is contained in our files. There are also procedures by which you can request correction, amendment, or deletion of any information which you feel is inaccurate.

For a more detailed description of National Health's Information Practices, write us at: P.O. Box 619999 Dallas TX, 75261-6199 or call toll-free at 800-237-1900.

Important, Retain For Your Records

This outline of benefits provides a very brief description of some of the important features of your coverage. This is not the insurance contract. Your Certificate sets forth the rights and obligations of both you and your insurance company. The Group Policy form (HSMPP0-2009P) is the contract. Therefore, it is important that you **READ YOUR CERTIFICATE CAREFULLY**. Your actual coverage may vary from the description in this outline due to specific state requirements.

About the Company

National Health Insurance Company was originally founded in 1923 as the William Harvey Life Insurance Company. In 1965, the Company incorporated as Trinity National Life Insurance and added health insurance to the product line in 1966.

In 1978, the Company changed its name to National Health Insurance Company. Today, the Company is licensed in 48 states and the District of Columbia.

NATIONAL HEALTH INSURANCE COMPANY

1901 N. Hwy. 360, Grand Prairie, TX 75050
P.O. Box 619999, Dallas, TX 75261-6199
Telephone: 1-800-237-1900
www.nhic.com

Important Pre-Application Notice

Information regarding your insurability will be treated as confidential. National Health Insurance Company or its reinsurers may, however, make a brief report thereon to the MIB, Inc., formerly known as Medical Information Bureau, a not for profit membership organization of insurance companies, which operates an information exchange on behalf of its members. If you apply to another MIB member company for life or health insurance coverage, or a claim for benefits is submitted to such a company, MIB, upon request, will supply such company with the information about you in its file.

Upon receipt of a request from you, MIB will arrange disclosure of any information in your file. Please contact MIB at 866-692-6901 (TTY 866-346-3642).

If you question the accuracy of information in MIB's file, you may contact MIB and seek a correction in accordance with the procedures set forth in the federal Fair Credit Reporting Act. The address of MIB's information office is 50 Braintree Hill Park, Suite 400, Braintree, MA 02184-8734.

National Health Insurance Company or its reinsurers may also release information in its file to other insurance companies to whom you may apply for life or health insurance, or to whom a claim for benefits may be submitted. Information for consumers about MIB may be obtained on its website at www.mib.com.

IMPORTANT FEATURES

24 hour worldwide coverage

Toll-free customer service

No limits on the number of confinements

No waiting period between confinements

10-DAY FREE LOOK

You have the right to return the insurance certificate within 10 calendar days of its initial delivery to you. If you choose to return the certificate within the 10-day period, we will refund any payment that has been made and the certificate will be void as of its effective date.

PORTABLE COVERAGE

Once your Certificate is issued, it is portable. This means you can keep your coverage as long as you pay your monthly premium and Association dues. You can keep your coverage even if you change jobs. If you become enrolled in Medicare during the time that your coverage is in force, continued coverage will be provided to the extent that the benefits payable by the plan are not reimbursed by your Medicare coverage.

RATES AND RENEWABILITY

You cannot be singled out for premium rate increases, regardless of how much or how often you collect from the plan. Your premium rate cannot be changed unless there is a general rate adjustment on all insureds of the same classification in your state or unless an attained age adjustment applies to your coverage. Your benefits under the Certificate can be cancelled only if all Certificates of the same classification in your state are cancelled by giving notice as required by state and federal law.

Underwritten and Administered by:
NATIONAL HEALTH INSURANCE COMPANY
1901 N. Hwy. 360, Grand Prairie, TX 75050
P.O. Box 619999, Dallas, TX 75261-6199
Telephone: 1-800-237-1900
www.nhic.com

Association Membership Required to Apply for Coverage

NH-1506-11/09

PRE-EXISTING CONDITIONS

Pre-existing Condition means the existence of symptoms which would cause a person to seek diagnosis, care or treatment within the twelve (12) month period preceding the Effective Date of coverage under the Group Policy; or a condition for which medical advice or treatment was recommended by a Physician or received from a Physician within the twelve (12) month period preceding the Effective Date of coverage under the Group Policy. No benefits will be payable for any Sickness or Injury due to a Pre-existing Condition unless those expenses are incurred after twenty-four (24) months of coverage. A condition fully disclosed on the application and not specifically excluded in the insurance Certificate or an amendatory endorsement will not be considered to be a Pre-existing Condition.

USUAL AND CUSTOMARY CHARGES

Usual and Customary Charges means, for services provided by Network Providers only, the contractual rate in effect for that Network Provider on the date that the service is provided to an Insured. For services provided by Non-Network Providers, Usual and Customary Charges means charges for medical services or supplies which are in an amount not exceeding the normal rate charged for the same or similar services or supplies in the geographic region where the service or supply is furnished. Geographic region is a zip code, city, county, or such area as is necessary to obtain a representative cross section of medical and hospital costs. The analysis of these charges nationwide is performed by a third-party, independent medical data research company.

UTILIZATION SERVICES

The plan has established cost containment features to help control costs. Please review your certificate carefully. Questions about the Utilization Services can be answered quickly with a toll-free phone call to the Home Office at 1-800-237-1900.

Required Pre-Certification for non-emergency Hospital confinement or outpatient surgery (except maternity)*

Emergency Admissions requires certification within 48 hours or next business day*

Second and Third Surgical Opinions are required for some procedures*

Concurrent Stay Review and Discharge Planning

Routine Pre-Admission Testing benefits

Case Management of Catastrophic Conditions

*(*Failure to comply with these requirements will reduce all Eligible Expenses by 30%)*

SUMMARY OF LIMITATIONS AND EXCLUSIONS

No payment will be made for claims resulting in or from:

Pre-existing Conditions as described herein;

Normal childbirth or prenatal care;

Dental treatment (except caused by a covered Injury);

Medical conditions arising from aviation (while acting as a pilot or crew member), war, participation in a felony, riot or insurrection, or service in the armed forces;

Suicide or intentionally self-inflicted harm;

Cosmetic surgery;

Infertility treatment;

Sterilization or its reversal or voluntary abortions;

Sex change procedures;

Routine physical exams for adults;

Weight loss procedures;

Penile implants;

Breast reduction or augmentation unless covered as reconstructive surgery;

Radial Keratotomy or similar procedures to improve vision, eye glasses, contact lenses, hearing aids and related examinations;

Intoxication or the influence of alcohol, narcotic, or mind altering substances;

Mental or emotional disorders or alcohol or drug use or dependency (except where mandated by individual states);

Legal expenses;

Experimental treatment as set forth in the Insurance Certificate;

Non-Network Expenses above the Usual and Customary Charges;

Expenses which are not Medically Necessary;

Losses for which Worker's Compensation or Employer's Liability Benefits are payable;

Expenses for which Medicare is payable;

Services performed by a member of your family or household or for which no charge is normally made;

and any expense not specifically listed in the Insurance Certificate as a benefit.