

# Full-Time Employees Fixed Indemnity Plan

This information describes the Hospital Indemnity Plan for Full-Time Employees also known as Indemnity Medical (the "Full-Time Fixed Indemnity"), that is available to full-time employees. Participation is subject to timely enrollment and the payment of premiums specified by Lowe's. This plan is not available to full-time employees living in Massachusetts, nor is it available to full-time employees who have enrolled in an Health Savings Account (HSA).

The following sections summarize the Fixed Indemnity Plan. Please review these provisions and retain this booklet for future reference. Key terms used in this text are specifically defined in each section.

## About This Coverage

Allstate Benefits (AB) is the marketing name for American Heritage Life Insurance Company (AHL), which insures the Fixed Indemnity Plan. AHL certifies that, subject to the terms and conditions of the group policy issued to Lowe's by AHL, coverage is provided for each employee who has satisfied the eligibility and enrollment provisions of the Fixed Indemnity Plan described in the following sections.

See the section titled "[Outline of Fixed Indemnity Plan Benefits](#)" for a description of the coverage.

Employees enrolled in the Fixed Indemnity Plan can choose between two coverage options:

- Employee Only
- Family

## Outline of Fixed Indemnity Plan Benefits

Benefits are paid when the following services and treatments are administered to or received by a covered person. Such service or treatment must be: (a) incurred by a covered person while coverage under the policy is in force on that person; and (b) provided for the care and treatment of sickness or injury of a covered person. Any loss not stated in the policy is not covered under the policy. Treatment must be received in the United States or its territories.

**First Day Hospital Confinement:** A benefit of \$850 is paid for the first day a covered person is confined in a hospital. This benefit is payable only once per continuous confinement in a hospital per covered person.

This benefit is not payable for a newborn child's initial confinement in a hospital. A newborn child's initial confinement in a hospital includes any transfers to another hospital before such child is discharged to his or her home.

The covered person must provide proof that a hospital room and board charge is incurred.

**Daily Hospital Confinement:** A benefit of \$350 is paid per day when a covered person is confined in a hospital.

If the First Day Hospital Confinement benefit is payable, this benefit pays for each day after the first day of a continuous confinement in a hospital for a maximum of 9 days. If the First Day Hospital Confinement benefit is not payable, this benefit pays for each day of a continuous confinement in a hospital for a maximum of 10 days.

This benefit is not payable for:

1. any day for which the First Day Hospital Confinement benefit is payable; or
2. a newborn child's routine nursing or routine well baby care during the initial confinement in a hospital.

The covered person must provide proof for each day that a hospital room and board charge is incurred.

**Hospital Intensive Care:** A benefit of \$350 is paid for each day a covered person is confined in a hospital intensive care unit. This benefit is paid regardless of whether the First Day Hospital Confinement benefit and Daily Hospital Confinement benefit are paid.

The maximum number of days this benefit is payable is 10 days for each continuous confinement in a hospital intensive care unit.

The covered person must provide proof for each day that a hospital room and board charge is incurred.

**Ambulance:** A benefit of \$250 for ground ambulance (\$500 for air ambulance) for each day a covered person is transferred by a licensed ambulance service or hospital owned ambulance to a hospital or emergency treatment center (for air ambulance, the benefit pays 2 times the amount stated). This benefit is payable only once per day per covered person, and is limited to 2 days per covered person per coverage year.

**Medical Diagnostic X-Ray, Imaging and Laboratory Rider:** A benefit of \$50 is paid for each day a covered person receives an x-ray, imaging or laboratory test for the purpose of diagnosing an injury or sickness indicated by symptoms that would suggest an injury or sickness has occurred. This benefit is payable only once per day per covered person, and is limited to 3 days per covered person per coverage year.

**Accident Only Emergency Treatment Rider:** A benefit of \$250 is paid for each day a covered person receives medical treatment in an emergency treatment center due to an injury. This benefit is payable only once per day per covered person, and is limited to 2 days per covered person per coverage year.

This benefit is not payable for medical treatment received in an emergency treatment center due to sickness.

## Expenses Not Covered

Benefits will not be paid for any loss caused by or resulting from (directly or indirectly):

- any act of war whether or not declared, active participation in a riot, insurrection or rebellion; or
- suicide, or any attempt at suicide, whether sane or insane; or
- injury incurred while engaging in an illegal occupation or committing or attempting to commit an assault or felony; or
- dental or plastic surgery for cosmetic purposes except when such surgery is required to: (a) treat an injury; or (b) correct a disorder of normal bodily function; or (c) correct a congenital defect; or
- intentionally self-inflicted injuries; or
- confinement that begins before the covered person's effective date of coverage; or

- the reversal of a tubal ligation or vasectomy; or
- artificial insemination, in vitro fertilization, and test tube fertilization, including any related testing, medications or physician services, unless required by law; or
- participation in any form of aeronautics (including parachuting and hang gliding) except as a fare-paying passenger in a licensed aircraft provided by a common carrier and operating between definitely established airports; or
- a newborn child's routine nursing or routine well baby care during the initial confinement in a hospital; or
- driving in any organized or scheduled race or speed test or while testing an automobile or any motorized vehicle on any racetrack or speedway; or
- mental or nervous disorders.

## Filing Claims

You should submit your claim for the Fixed Indemnity Plan benefits to AB. Contact the Customer Service Center of AB at 1-877-215-0939 to obtain the necessary claim forms.

When the claim form has been processed by AB, you will be notified of the benefits paid. If a claim is denied, AB will give written notice of:

1. the reason for denial; and
2. the policy provision that relates to the denial; and
3. the right to ask for a review of the claim; and
4. any additional information that might allow us to change our decision.

You may, upon written request, read any reports that are not confidential. For a small fee, AB will make copies of those reports for your use.

### APPEALS PROCEDURE

Prior to filing any lawsuit and within 60 days after denial of a claim, you or your beneficiary must appeal any denial of benefits under the policy by making a written request for review of the denial.

## Definitions

**Accident:** A sudden, unforeseeable event which occurs without the covered person's intent which results in an injury to the covered person independent of disease, infirmity, or any other cause.

**Ambulatory Surgical Center:** A licensed surgical center consisting of an operating room, facilities for the administration of general anesthesia, and a post-surgery recovery room in which the patient is admitted to, and discharged from, within a period of less than 24 hours.

**Confined or Confinement:** Admitted to and confined as an inpatient in an institution for which a room and board charge is made by the institution. It does not include confinement for an observation room.

**Continuous Confinement:** One continuous confinement or two or more confinements not separated by more than 24 hours. If there are more than 24 hours between confinements, they are considered separate confinements.

**Cosmetic:** Surgery or other treatment to improve a person's appearance which is not required for treatment of a sickness or injury.

**Coverage Year:** A consecutive 12-month period during which an employee's coverage under the Fixed Indemnity Plan is in force. The first Coverage Year begins on the effective date of the employee's coverage under the group policy and ends after 12 consecutive months of coverage. Dependents added later will have the same coverage year as the employee.

**Day:** A 24 hour period.

**Domestic Partner:** Your same-sex or opposite-sex partner who is eligible for coverage provided that:

1. both you and your same-sex or opposite-sex partner must be considered as domestic partners according to the law of your state of residence; or
2. if your state of residence has no domestic partnership law, you must satisfy the definition of domestic partner as defined by Lowe's.

**Emergency Treatment Center:** The emergency room of a hospital or ambulatory surgical center, or satellite emergency center of a hospital.

**Hospital:** A public or private institution which is primarily engaged in providing to inpatients, by or under supervision of physicians, diagnostic services and therapeutic services for medical diagnosis, treatment and care of injured, disabled or sick persons, or rehabilitation services for the rehabilitation of injured, disabled or sick persons. This includes a state tax-supported institution.

**Hospital Intensive Care Unit:** A hospital area of special care, including cardiac and coronary care units, surgical intensive care units or cardiovascular intensive care units, which at the time of admission are separate and apart from the surgical recovery room, or other rooms, beds or wards normally used for patient confinement. In addition, such a unit must provide the following:

1. 24 hour continuous nursing care and attendance by nurses assigned to the unit on a full-time basis; and
2. direction and/or supervision by a full-time physician director or a standing "intensive care" committee of the medical staff; and
3. special medical apparatus used to treat the critically ill.

The following do not qualify as "Hospital intensive care units":

1. progressive care units;
2. sub-acute intensive care units;
3. intermediate care units;
4. private rooms with monitoring;

5. step-down units; or
6. any other lesser care treatment units.

**Injury:** An accidental bodily injury to a covered person, as the result of an accident while coverage under this policy is in force, and the injury is the direct cause of the loss independent of disease, bodily infirmity, or any other cause. All injuries sustained in any one accident and all complications and recurrences of complications are considered to be a single "injury."

**Inpatient:** A covered person who is a resident patient using the room and board facilities of an institution.

**Mental Or Nervous Disorder:** A psychiatric or psychological condition regardless of cause, such as schizophrenia, depression, manic depressive or bipolar illness, anxiety, post-traumatic stress disorder, personality disorders and/or adjustment disorders, or other conditions. These conditions are usually treated by a mental health provider or other qualified provider using psychotherapy, psychotropic drugs, or other similar methods.

**Nurse:** Any one of the following who is not a member of the covered person's immediate family:

1. licensed practical nurse (L.P.N.); or
2. licensed vocational nurse (L.V.N.); or
3. graduate registered nurse (R.N.).

**Payable Claim:** A claim for which AHL is liable under the terms of the policy.

**Physician:**

1. a person performing tasks that are within the limits of his or her medical license; and
2. a person who is licensed to practice medicine and prescribe and administer drugs or to perform surgery; or
3. a person who is a legally qualified medical practitioner according to the laws and regulations of the state he or she practices in.

A covered person, his or her spouse or domestic partner, children, parents, or siblings are not recognized as a physician for a claim.

**Residential Treatment Facility:** An institution which provides coordinated inpatient treatment of mental or nervous disorders or chemical dependency by trained medical personnel and counselors pursuant to a written treatment plan approved and monitored by a physician. The institution must also be affiliated with a hospital under a contractual agreement with an established system for patient referral, be accredited as a treatment facility by the Joint Commission on Accreditation of Hospitals, and licensed, certified or approved as a mental health or chemical dependency treatment program or center by any federal, state or municipal agency having legal authority to so license, certify, or approve.

**Sickness:** Illness or disease that must begin while the covered person is insured under the policy.

**Skilled Nursing Facility:** An institution that meets all of the following standards:

1. it is licensed by the state in which it is located; and
2. it is a separate facility or a distinct part of another facility physically separated from the rest of such facility; and
3. it provides confined nursing care to individuals who are not able to care for themselves and who require nursing care; and
4. its primary function is to provide nursing care, and room and board; and the facility charges for these services. The care must be performed under the direction of a licensed physician or licensed nurse; and

5. it is not a hospital, a home for the aged, a retirement home, a rest home, a community living center, or a place mainly for the treatment of alcoholism, mental illness, or drug abuse.

**Surgery:** Manual procedures that:

- Involve cutting of body tissue;
- Debridement or permanent joining of body tissue for repair of wounds;
- Treatment of fractured bones or dislocated joints; and
- Endoscopic procedures.

Surgery also includes:

- Other manual procedures when used in lieu of cutting for purposes of removal, destruction, or repair of body tissue.

## **Benefit Cost**

The employee pays 100% of the cost of the Fixed Indemnity Plan.

## **Rules Regarding Deferral of Effective Date**

If you are not Actively at Work on the date your Life Insurance would have become effective, it will not become effective until the first day you are Actively at Work. If a dependent is confined as an inpatient on the date their insurance would have become effective, such Insurance will become effective the day following discharge from the facility.

## **Eligibility for Coverage of Dependent Children**

A child born to, or adopted by, you or your spouse or domestic partner while you have dependent child coverage will be eligible for coverage the date the child is acquired. Meaning, you have 31 days to add your newly eligible dependent through Lowe's enrollment site ([MyLoweBenefits.com](http://MyLoweBenefits.com) >Your Benefits/Enroll > Enroll In Benefits.)

## **Family Status Change**

Enrollment into the Fixed Indemnity Plan is permitted if application is made within 31 days after a family status change. A change in family status is defined as birth, death, marriage, divorce, or adoption. Employees who have a family change of status should enroll via the Empowered Benefits website ([My Lowe's Life](http://MyLowe'sLife.com)>My Benefits).

## **Termination of Coverage**

Coverage is terminated if the employee ceases to pay a premium after the 31 day grace period; or at termination of employment of the employee. Spouse or domestic partner coverage terminates upon the termination of the employee or the end of the period for which dependent premiums are paid. Dependent child coverage terminates at termination of employee or as an eligible dependent ages out. (see *Plan Administration*, for more information regarding Eligible Dependents), whichever occurs first. Termination of coverage also occurs if the Group Policy is terminated.

## **Continuation of Coverage (Portability)**

You have the option, if you leave Lowe's employment, to continue coverage at group rates up to age 70, so long as the group policy remains in force. You must apply under this option for the portability policy within 31 days after your coverage ends. Contact AB at 1-877-215-0939 for continuation of coverage information.

## **Employee Retirement Income Security Act of 1974**

Information regarding your benefit rights mandated by ERISA can be found in the Plan Administration portion of the summary plan description.