# Strategic Analysis: Assurity Group Hospital Indemnity Portfolio

## 1. Executive Summary and Strategic Positioning

In the contemporary benefits landscape, the continued proliferation of High-Deductible Health Plans (HDHPs) has shifted significant financial risk onto the employee. Assurity's Group Hospital Indemnity plan is strategically positioned as an "excepted benefit," serving as a critical supplementary financial hedge against out-of-pocket exposure. As a Mutual Organization and Certified B Corp, Assurity operates with a policyholder-first mandate, ensuring long-term stability and alignment with the financial well-being of the insured rather than external shareholders.The "Efficiency Philosophy" of Voluntary Insurance Partners is exemplified through this plan's streamlined architecture. By eliminating "nickel and dime" administrative bloat—such as low-utilization $50 wellness benefits or $100 ambulance riders that drive up premiums—this portfolio optimizes the value-to-premium ratio. It focuses premium dollars on "high-impact" liquidity events, most notably the $2,500 admission benefit. This lean, actuarially sound design provides a superior catastrophic shield, which, when combined with the "Platinum Underwriting" offer, creates a robust and competitive advantage for employers seeking to mitigate the "coverage gap" without unnecessary fiscal friction.

## 2. Core Benefit Architecture and Payout Triggers

The mechanical integrity of an indemnity plan relies on objective payout triggers that bypass the complexities of "usual and customary" charge debates. By utilizing defined clinical milestones, the plan ensures predictable, unrestricted indemnity liquidity for the claimant. This structural transparency is essential for employees who must coordinate these payments with their primary medical expenses.The "20-Hour Confinement Rule" is the primary gatekeeper for the $2,500 lump-sum admission benefit. This rule establishes a clear eligibility threshold: the insured must be assigned to a bed as a resident inpatient for at least 20 consecutive hours. This objective standard ensures structural parity across the base plan and subsequent riders, providing a consistent definition of "Confinement" that serves as the foundation for all inpatient-based claims.

### Core Hospital Admission Benefit (Forms G H1730/G H1730C)

Benefit Component,Provision Details
Lump-Sum Admission,"$2,500"
Frequency Limitation,Once per insured person per calendar year
Confinement Definition,Assignment to a bed as a resident inpatient for 20+ consecutive hours
Cause of Loss,Covered sickness or injury sustained in a covered accident
Network Restriction,None; benefits paid regardless of provider or network status

## 3. Specialized Rider Analysis: Financial Value Propositions

Riders function as the "connective tissue" of the portfolio, transforming a general hospital plan into a targeted risk-mitigation tool for high-severity clinical scenarios. These enhancements

provide specific liquidity during events that typically trigger the maximum out-of-pocket limits of a primary medical plan.

### Hospital Observation Rider (Form R G2202C)

Modern clinical protocols frequently utilize "Observation Status" to avoid formal inpatient classification. This rider provides a strategic hedge against this "status trap" by mirroring the core admission benefit.

- **Initial Observation (At least 20 hours):** $2,500 (Lump-sum)
- **Observation Care (20–48 hours):** $250
- **Observation Care (49+ hours):** $500

### Critical Illness (CI) Rider (Form R G1732C)

This rider addresses catastrophic diagnoses with tiered payouts. By separating high-severity triggers from lower-tier procedures, it ensures the largest liquidity events align with the most expensive diagnoses.

- **Catastrophic Tiers ($10,000):** **Heart Attack** , **Stroke** , and **Invasive Cancer** .
- **Surgical Tiers ($2,500):** **Coronary Artery Bypass Surgery** and **Non-Invasive Cancer** .
- **Procedural Tier ($1,000):** **Angioplasty** .
- **Maintenance Tier ($250):** **Skin Cancer** (once per calendar year).

### Specialized Care Riders (Forms R G1733C / R G1737C)

These riders provide a daily income stream for confinement in specialized facilities, filling gaps often ignored by standard indemnity products.

- **Mental and Nervous Disorder Rider:** $100 daily benefit (up to 30 days).
- **Drug and Alcohol Rehab Rider:** $100 daily benefit (up to 30 days).
- *Note: Both riders adhere to the 20-hour confinement rule for benefit activation.*

## 4. The Platinum Underwriting Advantage

Underwriting flexibility is the ultimate lever for high participation. The "Platinum Blanket Offer" creates a "no-barrier" enrollment environment, valid for groups enrolling prior to **March 1, 2027** . This offer is contingent upon maintaining a **15% overall block participation requirement** , reviewed quarterly by Assurity.

### The "Massive" Combination: GI and Special Endorsement

For an HR Director, the "So What?" is the immediate removal of clinical barriers. The Platinum offer combines Guaranteed Issue (GI) status with a Special Endorsement that waives the 12-month pre-existing condition look-back and the 10-month pregnancy exclusion for initial enrollees. This allows employees to leverage the $2,500 admission benefit for planned deliveries or known chronic issues immediately upon the effective date.

### Participation and Eligibility Parameters

- **Eligible Population:** Benefit-eligible W-2 employees working 20+ hours per week.

- **Group 3–99:** Minimum of 2 applications required.
- **Group 100–250:** Minimum of 5 applications required.
- **Initial Enrollees/New Hires:** Pre-existing conditions and 10-month pregnancy exclusions are **waived** .
- **Late Entrants:** Subject to standard 12-month pre-existing look-back and 10-month pregnancy exclusions.

## 5. Financial Investment: Weekly Rate Schedule

To ensure administrative alignment with standard payroll cycles, premiums are quoted on a weekly frequency. These figures are not monthly and reflect the high value-to-cost ratio of the lean product design.

### Weekly Rates (Composite - All Ages)

Coverage Tier,Weekly Premium
Employee Only,$9.55
Employee & Spouse,$19.47
Employee & Children,$15.83
Family,$25.75

**Strategic Cost Analysis:** At $9.55 per week, an employee secures a $2,500 admission hedge for approximately **$ 1.36 per day**. Even at the Family tier, the cost of **$3.68 per day** represents a marginal investment to protect a household from a $2,500+ deductible event.

## 6. Comprehensive Glossary of Insurance Terms

- **Excepted Benefits:** A regulatory classification for coverage (Form G H1730) that provides limited benefits for specific services; it is not ACA-compliant major medical insurance and does not provide "minimum essential coverage."
- **Confinement:** The clinical status of being assigned to a bed as a resident inpatient for at least 20 consecutive hours, as prescribed by a physician.
- **Guaranteed Issue (GI):** A streamlined underwriting process where coverage is issued without medical exams or health questionnaires.
- **Portability:** The contractual right of an insured to maintain coverage after terminating employment, provided premiums are paid directly to Assurity.
- **Pre-Existing Condition:** A condition for which the insured received medical advice or treatment in the **12 months** prior to the issue date (the "look-back period").
- **HSA Compatible:** Form GH1730C is specifically designated to be compatible with Health Savings Accounts under IRS guidelines.

## 7. Strategic FAQ for Employees and Employers

**Q: How does the plan handle pregnancy and childbirth?** A: While standard policies exclude pregnancy for 10 months, our **Platinum Special Endorsement** waives this exclusion for initial enrollees. This means a $2,500 benefit is available for deliveries immediately upon the plan's effective date.**Q: Can I see my own doctor?** A: Yes. There are no PPO or HMO network restrictions. The indemnity benefit is paid directly to you, regardless of which hospital or

physician you choose.**Q: Why does the 20-hour rule matter?** A: Many competitors require a full 24-hour stay or "room and board" charges to trigger a benefit. Assurity's 20-hour rule is more inclusive, capturing more short-stay admissions and ensuring you receive your $2,500 benefit sooner.**Q: What is the difference between the $2,500 Observation benefit and Observation Care?** A: The $2,500 is a one-time lump sum for the **initial** observation stay (20+ hours). The $250 and $500 benefits are additional "Observation Care" payouts based on the total duration of the stay (20–48 hours and 49+ hours, respectively).**Q: Is this plan portable?** A: Yes. If you leave your employer or retire, you can take the coverage with you. You will simply pay the premiums directly to Assurity at the same rates.**Q: Does this satisfy the ACA "individual mandate"?** A: No. This is an "excepted benefit" designed to supplement, not replace, major medical insurance. It provides the liquidity needed to pay the costs that primary insurance leaves behind.

## 8. Multi-Media Deployment Roadmap

### Slide Deck: The Strategic Advantage

- **Slide 1: The Out-of-Pocket Crisis:** Data on rising HDHP deductibles vs. median savings.
- **Slide 2: Structural Parity:** Explaining the 20-hour rule as the consistent trigger for all benefits.
- **Slide 3: High-Impact Payouts:** Visualizing the $2,500 admission vs. "wellness bloat."
- **Slide 4: The Platinum Waiver:** Highlighting the waiver of pre-existing conditions and pregnancy exclusions.
- **Slide 5: The Daily Dividend:** Breaking down the $1.36/day cost for individual coverage.

### Cinematic Video Script Outline (Narrative Arc)

- **Problem:** A family reviews a $3,000 hospital bill; the stress of the "gap" is palpable.
- **Solution:** The "Assurity Check" arrives, providing $2,500 in unrestricted liquidity.
- **Advantage:** Highlights of the B-Corp status—business as a "force for good."
- **Conclusion:** "Focus on recovery, not the deductible."

### Infographic Strategy

- **Graphic 1: The Liquidity Shield:** Assurity filling the gap between the deductible and the insurance payout.
- **Graphic 2: The 20-Hour Advantage:** A clock graphic showing Assurity triggering at 20 hours vs. the industry-standard 24.
- **Graphic 3: Catastrophic Comparison:** A visual scale of the $10,000 CI Rider benefits for Heart/Stroke/Cancer.

### Audio Deep Dive Script (Podcast Style)

- **Focus:** "The Actuarial Edge of the 20-Hour Rule."
- **Content:** A discussion on why most indemnity plans fail to pay for "Observation" stays and how Assurity's 20-hour threshold captures claims that competitors deny.

- **Call to Action:** Locking in the Platinum Offer before the deadline to ensure "No-Barrier" enrollment for the entire workforce.