

Understand the ins and outs of hospital indemnity insurance.

Coverage that helps pay the expenses related to hospitalization and treatment due to a sickness or injury.

Life doesn't always go as expected. Serious illnesses and injuries happen that require hospitalization and treatment. While health insurance helps pay for medical expenses, it doesn't cover all the costs associated with treatment.

That's why Principal® offers a way to help employees financially prepare for their expenses if the unexpected happens. With hospital indemnity insurance, the employee can focus on recovery and worry less about the cost of hospitalization or treatment. When a covered employee or family member is admitted to the hospital for a sickness or injury, they get a lump-sum cash benefit to use any way they choose—regardless of other insurance they may have, or actual expenses incurred.

Available benefits¹

We offer both Health Savings Account (HSA) and non-HSA compatible plans.² Our flexible designs offer a wide range of benefits and days payable, allowing you to design coverage that meets your needs. Here's an example of an HSA compatible plan that may be selected:

Benefit	Benefit payable	Days payable
First day hospital confinement	\$1,000	1
Daily hospital confinement ³	\$100	30
First day Intensive Care Unit (ICU) confinement	\$2,000	1
Daily ICU confinement	\$200	30
Newborn nursery confinement	\$100	1
Health screening benefit	\$50	1

Tiered benefit

Offering a tiered benefit allows a higher daily hospital and daily ICU benefit payable the longer the stay in the hospital. This feature is available with daily hospital benefits payable with 30, 60, and 90 days. Using the example HSA plan, here's how the tiered benefit could be paid:

Days payable	Daily hospital benefit	Daily ICU benefit	Days hospitalized
30 days	\$100 daily	\$200 daily	2-10 days
	\$150 daily	\$300 daily	11-20 days
	\$200 daily	\$400 daily	21-30 days

Enhanced injury

Offering enhanced injury allows a benefit to be payable at a higher benefit amount for an injury vs a sickness.

Benefit	Sickness	Injury
First day hospital confinement	\$1,000	\$2,000
First day ICU confinement	\$2,000	\$4,000
Daily hospital confinement	\$100	\$200
Daily ICU confinement	\$200	\$400
Emergency room	\$200	\$400

Additional options for non-HSA plans

- Air ambulance
- Chiropractic care
- Companion lodging
- Doula care
- Durable medical equipment
- Emergency room
- Family care
- General anesthesia
- Ground or water ambulance
- Home health service
- Hospice care
- Inpatient surgery
- Invasive diagnostic procedure
- Lab tests or x-ray
- Major diagnostic procedures
- Medical travel
- Mental disorder inpatient treatment facility
- Mental disorder outpatient
- Observation unit
- Outpatient surgery
- Pet care
- Physician visits and telemedicine
- Prescription drugs
- Rehabilitation facility⁴
- Skilled nursing facility
- Substance abuse inpatient treatment facility
- Substance abuse outpatient
- Therapy services
- Urgent care facility

Product specifics

Hospital indemnity insurance is only available with another Principal group product.

Plan type⁵	<p>Plans can be chosen to cover the following:</p> <ul style="list-style-type: none"> • Sickness and injury • Sickness only • Injury only
Choice type (voluntary coverage only)	<p>Employers can allow their employees to elect different plan designs by job class:</p> <ul style="list-style-type: none"> • Dual choice • Triple choice
Coverage type	<ul style="list-style-type: none"> • Injury can be on or off the job • Spouse coverage matches that of the covered employee
Spouse/child coverage	<ul style="list-style-type: none"> • Employees must enroll to elect coverage for their spouse or children • Spouse and children's benefits can be up to 100% of employee benefit
Funding options	<ul style="list-style-type: none"> • Employee-paid • Contributory • Employer-paid
Enrollment type	<ul style="list-style-type: none"> • Annual open enrollment • Evidence of insurability (EOI) is not required
Maternity options	<ul style="list-style-type: none"> • Full maternity • Complications only⁶ • Full maternity after 10 months⁷
Pre-existing conditions⁸	<ul style="list-style-type: none"> • 12 months prior/12 months insured • 6 months prior/12 months insured • 3 months prior/12 months insured • Pre-existing can be removed if full maternity after 10 months is selected⁹
Health screening benefit for preventive care¹⁰	<ul style="list-style-type: none"> • Employers have option to remove • \$50/\$100/\$150 year for each employee, covered spouse, and dependent child
Portability¹¹	<ul style="list-style-type: none"> • Employers have option to remove • Duration to age 70 • Must be insured for 12 months and under age 70 • EOI is not required

- ¹ Benefits not available in every state. In Connecticut and Idaho, only hospitalization benefits are available—skilled nursing, hospice (Connecticut only), and mental and substance abuse facility are allowed if follow hospitalization. In Maryland, a second opinion benefit is always required. In New Jersey and Oregon, only hospitalization benefits are available. In Massachusetts and North Carolina, general anesthesia is not available. In North Dakota, medical travel, companion lodging, family care, pet care, and mental disorder inpatient treatment facility are not available. In Pennsylvania, family care, pet care, and blood products are not available. In Kansas, chiropractic care is referred to as spinal manipulation care.
- ² The Internal Revenue Service (IRS) limits the types of supplemental insurance that an individual who participates in an HSA may have while maintaining the tax-exempt status of HSA contributions. If you have or plan to open an HSA, please consult your tax and legal advisors about the features offered in this plan as there may be tax implications of combining these plans.
- ³ Daily hospital confinement is always required.
- ⁴ Hospitalization required.
- ⁵ In Montana, New Jersey, Oregon, and Pennsylvania, sickness only and injury only not available.
- ⁶ In Montana, complications only not available.
- ⁷ In Maryland, 10-month maternity not available (pre-existing required).
- ⁸ In Florida, Idaho, Montana, and Wyoming, 12 months prior/12 months insured option not available. In New Hampshire, pre-existing conditions are 6 months prior/6 months insured. In Pennsylvania, pre-existing conditions are 3 months prior/6 months insured. In New Jersey and Utah, pre-existing conditions are 3 months prior/6 months insured or 6 months prior/6 months insured. In California, pre-existing conditions are 6 months prior/12 months insured.
- ⁹ Any case of 10 lives or less requires pre-existing.
- ¹⁰ Not available in all states.
- ¹¹ Not available in Colorado, Kentucky, Montana, New Hampshire, Oregon, Utah, or Vermont.



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