

## Learning Unit 15: Hospital Cash Plan

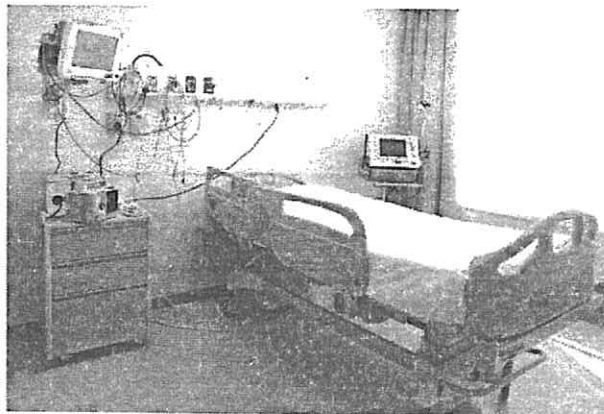


learning outcomes

### Learning Outcomes

Upon completion of this learning unit, it is expected that you will be able to:

- Understand and provide definitions for terminology.
- List who we insure for hospital cash plan.
- Describe what we insure under hospital cash plan.
- Identify what we do not insure (exclusions) under hospital cash plan.
- Identify the underwriting rules relevant to the insurance of hospital cash plan.





## Introduction

The purpose of a hospital cash back policy is to protect the policyholder in the event that he/she is financially inconvenienced when admitted to hospital. Therefore, it is meant to protect the policyholder from financial hardship when hospitalisation prevents the policyholder from earning an income.

Unfortunately, there is a misconception amongst policyholders that a hospital cash back plan is the easy way to instant cash. In some instances, policyholders (patients) claim that they are severely ill, extremely depressed or stressed or even bitten by a snake, thereby convincing a medical practitioner to admit them to hospital.



It remains a doctor's responsibility to take the necessary measures to ensure that a correct diagnosis is made. Because dishonest clients often shirk or misrepresent symptoms, it is extremely difficult to determine later during an assessment if there was conspiracy between the doctor and the policyholder to arrange the hospitalisation.

An intentional misrepresentation of symptoms by a policyholder to ensure admittance to a hospital for the purpose of claiming against a hospital cash back policy can be construed as dishonesty. Insurers should, therefore, be cautious when determining the policy terms and conditions to ensure cover for honest clients, but, at the same time, be creative in terms of exclusions, to ensure that dishonest clients don't enjoy cover.

As always, it is not only about loss ratios and financial viability of a product but also about social responsibility in terms of the fight against corruption and fraud in the industry.

So what are the main differences between a hospital plan and a full medical scheme?

"*There are two main differences,*" says Johan van Tonder, independent medical schemes researcher. He explains it this way:

- On a hospital plan, you have to cover almost all of your day-to-day out-of-hospital costs yourself, depending on the plan.
- Hospital plans come at a substantially lower cost than medical schemes.

"*Your medical needs should be considered first and foremost,*" according to Van Tonder. "*If you are healthy and unlikely to have high ongoing day-to-day costs, a hospital plan might be enough. However, if you are older, or if you have ongoing medical problems, you might be bankrupted by out-of-hospital expenses.*"

This learning unit looks at the complexity of the hospital cash plan in detail in order for you to better assist your clients.

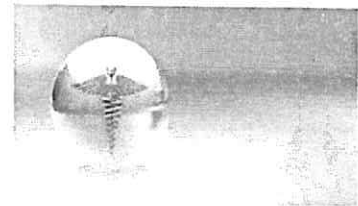
### 15.1 Definitions


| Word or phrase used   | Definition and description   |
|-----------------------|--|
| you,                  | Means the policyholder and other people we insure under this section.  |
| accident              | Means an event that is external to the body that you could not avoid, that you did not intend and that you could not have expected or foreseen.  |
| admission             | <p>When a patient is accepted for in-patient service in a hospital, this patient has been admitted.</p> <p>Hospital admission involves staying at a hospital for at least one night or more.</p>   |
| beneficiary           | An individual, <u>institution</u> , <u>trustee</u> , or <u>estate</u> which receives, or may become <u>eligible</u> to receive, <u>benefits</u> under a will, <u>insurance policy</u> , <u>retirement plan</u> , <u>annuity</u> , <u>trust</u> , or other <u>contract</u> .  |
| childbirth            | Also called labour, delivery, birth, this is the end of a pregnancy period with the release of one or more new-born infants from a woman's uterus.   |
| compensation          | This means that the insurer will pay the insured the amount stated in the schedule when a claim against an insured event has been made.  |
| discharge             | <p>The point at which the patient leaves the hospital and either returns home or is transferred to another facility such as one for rehabilitation or to a nursing home.</p> <p>Discharge involves the medical instructions that the patient will need to fully recover. Discharge planning is a service that considers the patient's needs after the hospital stay, and may involve several different services such as visiting nursing care, physical therapy, and home blood drawing.</p> |
| estate                | All <u>assets</u> owned by an individual at death, to be distributed <u>according to</u> the individual's will or a court <u>ruling</u> if there is no will.   |
| medical practitioner  | Means a qualified and registered Medical Practitioner. Under this section, a Medical Practitioner cannot be you or a member of your immediate family   |
| pregnancy             | The fertilisation and development of one or more children, known as an embryo or foetus, in a woman's uterus.  |
| registered in-patient | A patient who is admitted to the hospital and stays overnight or for an indefinite time, usually several days or weeks, treatment provided in this fashion is called inpatient care.   |
| spouse                | A spouse can be one of two parties:  |

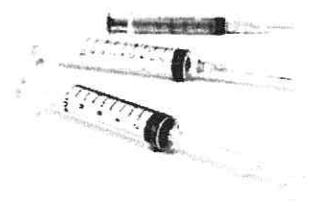

| Word or phrase used | Definition and description  |
|---------------------|---|
|                     | <ul style="list-style-type: none"> <li>The partner of a policyholder in marriage, civil union or customary union by South African law;</li> <li>A person who is living with the policyholder in a relationship which is permanent and who is named in the schedule.</li> </ul>                                |
| start date          | <p>Means the latest of the following dates:</p> <ul style="list-style-type: none"> <li>The date on which insurance starts, as given in the schedule;</li> <li>The date that any change in the limit of compensation became effective;</li> <li>The date that any person was added to this section.</li> </ul> |

### Complex Medical Terminology

This section contains many terms which the person on the street does not necessarily understand, but it is important that your client has a good idea of the ins and outs of the conditions and exclusions. For this reason, all complex medical terminology has been placed in this section for easy reference purposes.




| Medical Term  | Definition and description   |
|---|--|
| <p>AIDS<br/>Acquired Immune<br/>Deficiency Syndrome</p>  | <p>AIDS is a syndrome (a collection of symptoms / illnesses) caused by the most advanced stages of HIV (Human Immunodeficiency Virus) infection. The cells of the immune system are essentially what your body needs to fight a virus, so when the immune cells themselves get attacked, the body is left unable to defend itself.</p> <p>AIDS is not a specific illness as such, but a person is said to have developed AIDS when their immune system is so badly damaged by HIV that it can no longer fight off a range of opportunistic infections.</p> <p>Refer to HIV below for more information.</p> |
| congenital disorder   | A congenital disorder, or congenital disease, is a condition existing at birth and often before birth, or that develops during the first month of life (neonatal disease), regardless of its cause.  |
| contagious disease  | <p>Contagious diseases are often caused by the spread of bacteria (such as scarlet fever), or viruses, such as (chickenpox, measles, hand-foot-and-mouth disease, and several others) in droplets of saliva and mucus, especially when coughing or sneezing.</p> <p>Contagious diseases can also occur by coming in close personal contact with another infected person or even by sharing personal items, as in infection caused by insects; scabies; or a fungal infection, such as in ringworm.</p>   |

| Medical Term  | Definition and description   |
|---|--|
| diagnosis   | <p>The identification of a <u>condition</u>, disease, disorder, or <u>problem</u> by:</p> <ul style="list-style-type: none"> <li>• Analysing the background or history of the patient;</li> <li>• <u>Examination</u> of the patient's <u>symptoms</u>;</li> <li>• <u>Evaluation</u> of the results; and</li> <li>• Investigation of the <u>probable causes</u> in order to make the correct decisions.</li> </ul>  |
| diagnostic facilities   | <p>Those venues and the equipment needed to conduct tests to identify the problems the patient has. These tests could be a simple physical examination or a chemical test which require only simple tools in the hands of a skilled practitioner, and can be performed in a doctor's consulting room.</p> <p>Other tests could require complex equipment used by medical technologists or the use of a sterile operating theatre environment.</p>  |
| <p>drug</p>                                       | <p>In pharmacology, a drug is a chemical substance used in the treatment, cure, prevention, or diagnosis of disease or used to otherwise improve physical or mental well-being. Drugs may be prescribed for a limited duration, or on a regular basis for chronic disorders.</p> <p>Recreational drugs are chemical substances that affect the central nervous system, such as hallucinogens. They may be used for supposed positive effects on perception, consciousness, personality and behaviour. Some drugs can cause addiction and/or habituation.</p> <p>People who are addicted to drugs often suffer from other health problems, for example depression or HIV.</p> |
| drug treatment  | <p>Drug treatment is intended to help addicted individuals stop obsessive drug use. Treatment can occur in a variety of settings, take many different forms, and last for different lengths of time.</p> <p>Because drug addiction is typically a chronic disorder characterised by occasional relapses, a short-term, one-time treatment is usually not sufficient. For many, treatment is a long-term process that involves multiple interventions and regular monitoring.</p>   |
| <p>HIV<br/>Human<br/>Immunodeficiency Virus</p>  | <p>Human Immunodeficiency Virus (HIV) is a slowly replicating retrovirus that causes Acquired Immunodeficiency Syndrome (AIDS), a condition in humans in which progressive failure of the immune system allows life-threatening opportunistic infections and cancers to thrive.</p> <p>Infection with HIV occurs by the transfer of blood, semen, vaginal fluid, pre-ejaculate or breast milk. Within these bodily fluids, HIV is present as both free virus particles and virus within infected</p>   |

| Medical Term    | Definition and description  |
|-----------------|---|
|                 | <p>immune cells.</p> <p>During late-stage HIV infection, the risk of developing a life-threatening illness is much greater. Examples include:</p> <ul style="list-style-type: none"> <li>• Esophagitis (an inflammation of the lining of the lower end of the oesophagus);</li> <li>• Infections to the nervous system such as acute aseptic meningitis, sub-acute encephalitis;</li> <li>• Pneumonia;</li> <li>• Some cancers, such as Kaposi's sarcoma, invasive cervical cancer, lung cancer, head and neck cancers, cancers of the immune system known as lymphomas;</li> <li>• Toxoplasmosis, which is a disease caused by a parasite that infects the brain. It can also cause disease in the eyes and lungs;</li> <li>• Tuberculosis.</li> </ul> |
| hysterectomy    | <p>The surgical removal of the uterus. The type of hysterectomy performed depends on the reason for the procedure. In all cases, menstruation stops and a woman loses the ability to bear children.</p> <ul style="list-style-type: none"> <li>• In a total hysterectomy, the uterus and cervix are removed. In some cases, the fallopian tubes and ovaries are removed along with the uterus;</li> <li>• In a subtotal hysterectomy, only the uterus is removed;</li> <li>• In a radical hysterectomy, the uterus, cervix, ovaries, oviducts, lymph nodes, and lymph channels are removed.</li> </ul>  |
| mental disorder | <p>Also called a psychiatric disorder, this is a psychological pattern or abnormality reflected in behaviour, that is generally associated with distress or disability, and which is not considered part of normal development in a person's culture.</p> <p>Mental disorders are generally defined by a combination of how a person feels, acts, think or perceives. This may be associated with particular regions or functions of the brain, or the rest of the nervous system, often in a social context.</p>   |
| mental illness  | <p>A health condition that changes a person's thinking, feelings, or behaviour (or all three) and that causes the person distress and difficulty in functioning.</p> <p>As with many diseases, mental illness is severe in some cases and mild in others. Individuals who have a mental illness don't necessarily look as if they are sick, especially if their illness is mild. Other individuals may show more open symptoms such as confusion, agitation or withdrawal.</p>  |



| Medical Term  | Definition and description  |
|---|---|
|   | There are many different mental illnesses, including depression, schizophrenia, attention deficit hyperactivity disorder (ADHD), autism, and obsessive-compulsive disorder. Each illness alters a person's thoughts, feelings, and/or behaviours in distinct ways.  |
| nursing services<br> | These services include the different forms of patient care for all ages, families, groups and communities, sick or well and in all settings, and cover the promotion of health, prevention of illness, and the care of ill, disabled and dying individuals. Nurses must provide the best care possible for every patient. |
| plastic surgery   | Plastic surgery is defined as a surgical specialty dedicated to the reconstruction of facial and body flaws due to birth disorders, trauma, burns, and disease.   |
| therapeutic facilities  | The venues and equipment needed for the treatment of patients in order to control or stop disease and sustain health.   |

### 15.2 Who we insure

Under this section, the insurer will only cover the policyholder, their spouse, their children, the policyholder's parents and the policyholder's spouse's parents. Children include all the policyholder's unmarried children. The insurer will only compensate people who are all of the following:

- Named in the schedule;
- Normally living with the policyholder;
- For a child, older than six months and younger than 18 years old;
- Younger than 80 years old;
- Permanently resident in South Africa. However, this insurance will apply if you leave South Africa for periods of less than three months at a time.

Each person may only be insured by one Hospital Cash Plan that we issue.





**Permanent residence**

The 1995 South African Citizenship Act did away with the previous Apartheid-era 1949 and 1970 Acts. According to Section 2 of the 1995 law, a child born in South Africa before 6 October 1995 as the child of South African citizens or where one parent is a permanent resident and the other parent a citizen of the Republic of South Africa, is a citizen of South Africa by birth.



**15.3 What we insure**

**In general**

There are five plans available for selection. The plan selected will define the members of the family for whom the benefit is payable. The Plans are as follows:

|        |                           |
|--------|---------------------------|
| Plan A | Insured only              |
| Plan B | Insured and spouse        |
| Plan C | Insured and children      |
| Plan D | Entire family             |
| Plan E | Entire family and parents |

In the event of hospitalisation for the insured/and or specified members of the family, a stated daily benefit will be payable up to a maximum of 365 days. The stated daily benefits available are as follows:

- R200
- R400
- R600
- R800
- R1 000

The insurer will compensate when the insured is hospitalised for each day he/she is in hospital. The period of admission includes the day of admission but excludes the day of discharge. There is, however, a condition attached to this cover which states that the policyholder must be admitted to a hospital for at least 24 hours as a registered in-patient on the recommendation of a medical practitioner.

### **Compensation for each day you are in hospital**

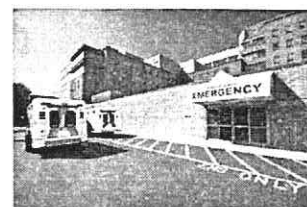
If you are hospitalised, the insurer will compensate the insured for each day he/she is in hospital. The period of admission includes the day of admission but excludes the day of discharge.

To qualify for the benefit, the insured must be admitted to a hospital for at least 24 hours as a registered in-patient on the recommendation of a medical practitioner.

### **The hospital must meet certain conditions**

The insurer will compensate the insured only if the hospital meets all the following conditions:

- It maintains permanent and full-time facilities for the care of overnight resident patients;
- It has diagnostic and therapeutic facilities for major surgical and medical diagnosis and the treatment and care of injured and sick people;
- Medical practitioners conduct or supervise the diagnosis, treatment and care;
- It provides a 24-hours-a-day nursing service supervised by nurses who are state-registered or hold equivalent qualifications.
- The following are not considered as hospitals under this section:
  - Mental institution;
  - Places of rest;
  - Places for the aged;
  - Places for drug addicts or alcoholics;
  - Nursing or recovery homes;
  - Long-term nursing units;
  - Geriatric wards;
  - Hospices;
  - Homes for disabled;
  - Pre-recovery wards or extended care facilities for recovery; or
  - Rehabilitation facilities



### **If you are admitted more than once.**

Should the insured be admitted to hospital more than once in 12 months and it is found that each admission is from the same cause, the insurer will consider the separate admissions as one admission.

If the insured is admitted to hospital more than once in 12 months and each admission is from a different cause, then the insurer will consider the individual admissions as separate.



In order to make sense of these conditions, we need to refer to the definitions of the medical terminology in of this learning unit.

#### 15.4 What we do not insure (exclusions)

The insurer will only compensate the policyholder for the amount that he/she was insured for under this policy at the date of the accident or disease.

In terms of the policy wording under this section the insurer will not compensate for treatment or illness, injury or physical defect caused by any of the following:

- Treatment for the effects of alcohol;  
(Treatment for alcoholism can begin only when the alcoholic accepts that the problem exists and agrees to stop drinking. He or she must understand that alcoholism is curable and must be motivated to change.)
- Driving with more than the legally permitted level of alcohol in the blood;  
(Driving while under the influence of alcohol in South Africa is not to be taken lightly. It is a very serious offence. The gravity of the charges should be enough to sober you up to its fatal consequences.)
- If injury was the direct result of being under the influence of alcohol;  
The legal blood alcohol limit in South Africa is less than 0.05 g per 100 ml and the legal breath alcohol limit in South Africa is less than 0.24 mg in 1000 ml of breath. In simple terms, this means that two drinks over the space of one hour will put you over the limit. It takes your body approximately one hour to process one unit of alcohol. Ideally, after drinking any alcohol you should avoid getting into the driver's seat of your car, but at least this way you can work out how long it takes for the alcohol to leave your system.



According to Dr Charles Parry of the Alcohol and Drug Abuse Research Group under the Medical Research Council (MRC), 40% of drivers who die on the road have alcohol levels in excess of .08 gms / 100 ml. The following shocking statistics give an indication of the impact of being under the influence of alcohol in the South African society:

1. Six out of ten drivers who die in accidents have dangerously high alcohol levels in their blood;
2. In an investigation into substance abuse, 50% of truck drivers and 30% of taxi drivers had been drinking alcohol or smoking marijuana;

3. 3000 adult pedestrians are killed in motor accidents per year, of whom 70% are drunk when killed;
4. When you are on the road at night, one out of every seven drivers sharing the road with you is drunk;
5. When you take a single drink your chances of causing an accident doubles.)

Drinking can make us prone to minor accidents that almost seem part of your average night. But alcohol can be the cause of more serious accidents too. There are two main things which make this likely. Because it's a depressant, alcohol slows down the brain and affects the body's responses. At the same time, if you've been drinking, you're more likely to take risks. Combined, these reactions increase the chance of accidents happening.

Stark statistics reveal the extent to which alcohol increases the risk of accidents of all kinds.

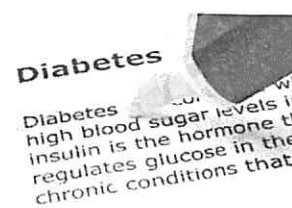
|                   |  |
|-------------------|--|
| Accidents at home | Alcohol is the single biggest cause of accidents at home.  |
| Accidents at work | Alcohol is a factor in up to one in four workplace accidents.  |
| Fires             | Approximately one in three fires is caused by people under the influence of alcohol. Two-thirds of people who are admitted to hospital or die from burns have been drinking. |
| Drowning          | Between 25% and 50% of all adult drowning victims have alcohol in their bloodstream.   |

- Intentional, self-inflicted injury;  
(**Intentional** means done with intention or on purpose. **Self-inflicted injury** is also known as self-harm (SH) or deliberate self-harm (DSH) and includes self-injury (SI) and self-poisoning. It is defined as the intentional, direct injuring of body tissue, most often done without suicidal intentions.)
- Suicide or attempted suicide;  
(Suicide is the act of intentionally causing one's own death. Suicide is often committed out of despair, the cause of which is frequently ascribed to a mental disorder such as depression, bipolar disorder, schizophrenia, alcoholism, or drug abuse. Stress factors such as financial difficulties or troubles with interpersonal relationship often play a role. Efforts to prevent suicide include, limiting access to firearms, treating mental illness and drug misuse, and improving economic circumstances.)

A failed suicide attempt is a suicidal action from which the actor survived. Some are regarded as not true attempts at all, but rather para-suicide. The behaviour is an act of desperation, and may result in severe injury or death anyway. Some suicide methods are more likely to be fatal than others, for example, wrist-slashing has a much lower fatality rate than use of firearms, which results in death 90% of the time.

About one-third of people who attempt suicide will repeat the attempt within one year, and about 10% of those who threaten or attempt suicide eventually do kill themselves. Many people survive a suicide attempt. A majority have injuries that are treated in the emergency room and then released. However, some are hospitalised and are eventually discharged alive. This is obviously the reasoning behind the exclusion in terms of the policy wording.)

- Pregnancy or childbirth;  
(The pregnancy of a woman and any type of childbirth are excluded in this section.)
- Mental disease or mental disorder, unless it is properly managed by a qualified doctor;  
(It is important to note that if the mental disease or disorder is properly managed by a qualified doctor then cover would be granted.)
- Diabetes, unless it is being properly managed by a qualified doctor;  
(Having diabetes means that a person's blood glucose, often called blood sugar, is too high. Your blood always has some glucose in it because your body needs glucose for energy to keep you going. But too much glucose in the blood isn't good for your health. If your blood glucose level gets too high it could cause pre-diabetes or diabetes.



Diabetes is a very serious disease. Over time, diabetes that is not well controlled causes serious damage to the eyes, kidneys, nerves, heart, gums and teeth. When you have diabetes, you are more than twice as likely as someone who does not have diabetes to have a heart disease or a stroke. People with diabetes also tend to develop heart disease or stroke at an earlier age than others.)



If the diabetes is properly managed by a qualified doctor then cover would be granted.

- Taking a drug, unless it is taken on proper medical advice and not for treating drug addiction;

(A **drug** is a substance which may have medicinal, intoxicating, performance enhancing or other effects when taken or put into a human body.

If the policyholder is taking a drug on proper medical advice and not for the treatment for drug addiction then cover would be granted in this case.)

- Any illness or injury that is related to, or as a result of, HIV or AIDS. If the insurer believes that the insured's illness or injury is related to, or as a result of HIV or AIDS, the insured will have to prove otherwise before the claim is accepted;
- Conditions that you are born with or childhood diseases contracted by a child insured under this section; (Because the immune systems of children are not fully developed, and because children are often in close proximity to one another in environments such as day-care centres, classrooms and on school buses, the transmission of contagious diseases is particularly easy.



Many childhood diseases, once contracted, result in lifelong immunity, but this is not always the case. Vaccinations also provide immunity to some of the diseases. Unfortunately, many of these diseases are most contagious before the infected child has any symptoms of the disease, making transmission even more likely.)

- Flying other than as a passenger in a legally licensed passenger carrying aircraft; (There are two types of passenger airplanes, namely, private aircraft and commercial aircraft. Private aircraft are designed to be flown or chartered privately and they are typically small with a passenger capacity under 12. Commercial aircraft are used by airlines to transport large numbers of passengers. In addition to being bigger, commercial aircraft are also faster and they have a longer flight range.)

- Cosmetic or plastic surgery, except as a result of accident or disease  
(It is important to note that, should cosmetic or plastic surgery be required as a result of an accident or disease, then it would be covered.)



The insurer will only compensate the insured for the amount that was insured for under this policy at the date of the accident or disease.

## 15.5 Compensation

### Limit of compensation

The policyholder will be compensated for the limit shown in the policy schedule for this section for each day he/she is in hospital.



The maximum period that the insurer will give compensation for any one cause is 365 days but these 365 days do not have to be consecutive.

This policy must be valid at the time the benefit is claimed for.

### Accident benefit: 50% more

Should the insured be admitted into hospital because of an accident, the insurer will increase the limit of compensation by 50%.

### Outside of South Africa: Double benefit

Should the insured be outside of South Africa for 3 months or less and during that time he/she is admitted to hospital, then the insurer will double the amount of compensation.

### Waiting periods before you can claim:

#### 30 days for claims other than accidents

The policy wording clearly states that the policyholder can only claim for hospital stays that begin after the first 30 days following the inception date of the section.

However, if the cause of the hospital admission is as a result of an accident, then the policyholder may claim any time after the start of this section.



**Hysterectomies have a 12-month waiting period**

The policyholder may only claim for hospital admissions related to hysterectomies if the operation is performed more than 12 months after the start of the relevant person's insurance under this section.

**Existing medical conditions have a 12-month waiting period**

An existing medical condition is a condition for which a medical practitioner gave any treatment or advice, including consultations to monitor the condition. The treatment or advice must be during the 12 months before the relevant person's insurance starts under this section.

The insured may only claim for hospital admissions related to existing medical conditions if one of the following are met:

- The insured is admitted to hospital more than 12 months after the insurance starts under this section;
- Periods of hospitalisation are more than 12 months apart.

**15.6 Claiming**

There are certain conditions that the insurer insists that the policyholder must adhere to during the claiming stage. These are listed below.

- The policyholder must give the insurer any medical certificates and other evidence that is requested. The policyholder will be held responsible for the cost of getting these documents and;
- The insured must have any medical examinations the insurer requires. The insurer will pay for these medical examinations;
- If at any time after the insurer has settled the claim, it is discovered that the claim was fraudulent, the insured must refund any amounts the insurer has paid to settle the claim.

**Underwriting Rules**

This section can only be selected in conjunction with, either, a Motor, Household Goods, or Personal Accident section.

Cover for the policyholder is mandatory.

Under this section, a Medical Practitioner cannot be the policyholder or a member of the policyholder's immediate family.

The policy wording states that each person may only be insured by one Hospital Cash Plan that the insurer issues.

The policy must be valid at the time the benefit is claimed for.

If at any time after the insurer has settled a claim and it is discovered that the claim was fraudulent, the policyholder must refund any amounts the insurer paid to settle the claim.

There are further, more specific underwriting rules which need to be kept in mind.

**Age of persons insured**

- The rate applicable is based upon the age of insured or spouse, if older than the insured, at inception date of cover;
- The insured/spouse must be older than 18 years and not older than 65 years at inception date of cover;
- Cover will terminate at end of period of insurance in which insured or spouse turns 80 years;
- Children must be over 6 months and under 18 years of age.





**ACTIVITIES**

**Activity 1**

Mrs James is admitted into hospital for a hysterectomy and will be hospitalised for a period of five days. She has a hospital cash plan policy which has been valid for a period of nine months.

Would she be able to claim in terms of the Hospital Cash Plan policy wording, and why or why not?

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**Activity 2**

Mr John was admitted into hospital following an asthma attack and spent a total of five days in hospital. Following his admission into hospital Mr John claimed from his Hospital Cash Plan policy. Six months later Mr John was once again admitted into hospital following another asthma attack. He was hospitalised for a period of eight days. Mr John submitted a claim for the eight days in hospital.

Would there be cover in terms of the policy wording, and why or why not?

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**Activity 3**

Miss Mudau was involved in a motor accident in which she sustained major injuries. She was transported to the nearest hospital and was hospitalised for a period of five weeks. She has a Hospital Cash Plan policy and has selected Plan A with a daily benefit of R800.

What payment would she receive from her insurers for this claim?

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**Activity 4**

Jessica was in a motor vehicle with her friends when the vehicle they were travelling in was hit from the side and rolled. Jessica sustained a broken arm, concussion and many bruises. When the vehicle rolled, the glass shattered and cut her face severely. As a result of the severe scarring she had to undergo plastic surgery.

Would the plastic surgery be covered in terms of the policy wording?

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**Summary**

Hospitalisation can prove traumatic for anyone. Very often the expenses associated with the stay in hospital are just as harrowing. This section of the Allsure Insurance Policy, although not able to ease the negative experience of hospitalisation, has the objective of assisting the client in dealing with the expenses as required.

In this learning unit you have been introduced to, not only insurance-type definitions, but the complex medical terminology associated with hospitalisation as well.

