

Hospital Indemnity Insurance can help cover expenses that result from a hospital visit and unexpected emergencies.

Fringe benefits like Hospital Indemnity Insurance offer real meaningful support, especially for employees caring for kids or dependent adults.

No matter whether it is anticipated or unexpected, a hospital stay is expensive. [According to HealthCare.gov](https://www.healthcare.gov), the average 3-day hospital stay in the United States costs around \$30,000. Health insurance will cover some of the costs if you are admitted to the hospital, but you may have other out-of-pocket costs. Hospital Indemnity Insurance can help cover expenses that result from a hospital visit and unexpected emergencies.

What is Hospital Indemnity Insurance?

Hospital Indemnity Insurance is a supplemental insurance policy that can be added to an existing insurance plan to cover costs due to having to stay in the hospital; it provides cash payments for hospital-related expenses. Because the money is paid directly to you, you can use the money however you want. It's typically used to cover daily living expenses, to make up for lost income or to pay for out-of-pocket medical expenses, such as your deductible, copay or coinsurance.

Unlike medical plans, there are no deductibles to meet with a hospital indemnity plan. As soon as you incur a qualified event, you can file a claim and start receiving benefits. Hospital indemnity policies pay out a set amount of money depending on the medical service performed. With this payment model, called a fee-for-service model, you don't have to worry about in-network versus out-of-network coverage since you receive the same payout regardless of your medical provider.

What Does a Hospital Indemnity Policy Cover?

The coverage your plan will provide depends on your plan selection but generally, most plans cover:

1. Hospital Stay (with or without surgery)
2. Intensive Care Unit (ICU) Stay
3. Critical Care Unit (CCU) Stay

Some plans may also cover:

1. Outpatient Surgery
2. Ambulances
3. Emergency Room Visits
4. Outpatient X-Ray or Diagnostic Images

Accident Insurance vs. Hospital Indemnity Insurance

The biggest difference between accident and hospital indemnity insurance is that accident coverage pays out after specific accidents, while indemnity coverage pays out after certain types of hospital stays. Both serve as supplementary health plans designed to aid with expenses not covered by your primary medical insurance.

Accident insurance pays out after a qualifying injury, such as burns, a broken arm or a laceration. Conversely, hospital indemnity coverage is triggered by specific hospital care, typically termed as inpatient hospital care. Both policies offer cash payouts that can go towards your healthcare expenses, or daily living expenses such as food and rent.



