



Understanding Hospital Indemnity Insurance

Information on protecting yourself from the costs of a hospital stay





\$3,025/night

That's the average cost of a hospital stay in the U.S.¹

If you're like most Americans, you're probably thinking, "Sure, hospitals stays are expensive, but isn't that what health insurance is for?"

Your health insurance is designed to cover major medical issues that would require a stay in the hospital, but it may not cover certain types of specialized care while you're hospitalized, post-hospital services or the range of indirect costs you're likely to encounter that could strain your finances.

5.9 days²

Average length of a hospital stay

\$17,488.30³

Average cost for hospitalization lasting 5.9 days

3,844⁴ hours

Number of work hours it takes to pay for the average hospital stay.

If you needed to stay in the hospital — for even a few days — could you afford it?



Inside this guide:

- » Financial impacts of a hospital stay
- » Hospital indemnity insurance benefits
- » How hospital indemnity insurance can help protect you financially

The growing costs of hospital care

Nobody wants to add a hospital stay to their calendar, but it happens to about **34 million Americans** every year.⁵

Top five reasons for hospitalization:⁶

1. Sepsis
2. COVID-19
3. Heart failure
4. Diabetes with complications
5. Heart attack



1 in 10
hospital stays are
for maternal and
neonatal care.⁷

No matter what brings us into the hospital, the costs continue to increase.

Hospital care accounts for about one-third of health care costs in the U.S., the largest segment of spending.⁸

Average costs for typical hospital procedures (without insurance):⁹

- » Heart bypass: \$123,000
- » Knee replacement: \$35,000
- » Hip replacement: \$40,364
- » Gastric bypass: \$25,000

Even with insurance, commonplace procedures like these can end up costing you thousands in out-of-pocket expenses.

Reducing the need for hospitalization

Some hospital stays are unavoidable, but a few simple steps can help reduce the likelihood of needing inpatient care.

- » Keep your regular healthcare appointments.
- » Work with your doctor to manage chronic conditions, such as diabetes or heart disease.
- » Stay up to date with vaccines.
- » Practice healthy habits: A balanced diet, adequate rest and regular exercise can all help boost your overall health.



Understanding the gaps in health insurance coverage

Health insurance pays a portion of hospitalization costs, but most plans require you to pay for at least a portion of your hospital care.

Direct expenses often include:

- » **Deductible:** Depending on your plan, this could vary from \$1,000 to well over \$5,000
- » **Co-insurance:** A percentage of care costs until you reach your out-of-pocket maximum
- » **Out-of-network hospital costs:** For facilities not covered under your health insurance plan
- » **Post-hospitalization services:** Including follow-up doctor visits, physical therapy or at-home care

Indirect expenses are not covered by health insurance, and may include:

- » **Lodging** for visitors/family members
- » **Childcare**
- » **Everyday expenses**, such as regular household bills
- » **Lost wages**
- » **Transportation** to the hospital and appointments
- » **Additional household services**, for tasks you can't do while recovering

The real-world cost of care

Mark plays hard in his weekly pick-up basketball game. Now, he needs knee surgery, which will require a two-day stay in the hospital. His employer-provided healthcare policy has a \$1,500 deductible, with a \$4,000 out-of-pocket maximum.

Mark's direct expenses are:

- » \$1,500 deductible
- » \$2,500 in co-insurance

But Mark has several indirect expenses, too:

- » Mark's wife hires a sitter for the kids while she's with him at the hospital. (\$200)
- » His family ends up eating out more than usual, in between hospital visits. (\$100)
- » The hospital is a long drive from home, which uses more gas. (\$50)

Mark is frustrated to realize this brief hospital stay cost him \$4,350 out of his own pocket.

This example is provided for illustrative purposes only.



Hospital indemnity insurance can help

Hospital indemnity insurance can help you pay for direct and indirect costs from your hospital stay that aren't covered by health insurance.

Typical hospital indemnity insurance benefits include:

- » Lump-sum payment for a single hospital stay
OR
- » A specified benefit payment for each day you are hospitalized
- » Optional coverage for associated services, such as:
 - ER visits
 - Rehabilitation services
 - Diagnostic exams
 - Lab tests and imaging
- » Options for extended coverage, for lengthy or repeated hospitalizations





Adding peace of mind in a stressful time

Sarah is pregnant with her second child and lives in a small town about two hours outside of a large city. Her employer provides health insurance. Sarah also has a hospital indemnity insurance policy.

When Sarah goes into labor, there are complications. She is transferred to a special unit at the city medical center. Sarah and the baby come through the delivery just fine but will need to stay in the hospital for a few extra days to recover. Sarah's husband arranges for their older child to stay with friends so he can be with Sarah and the new baby in the city.

Sarah's hospital indemnity insurance policy gives her a lump-sum cash benefit for her hospitalization. She uses this money to help cover various expenses.

Sarah's extended hospitalization was unexpected, but the coverage provided by hospital indemnity insurance helped her when she needed it.

This example is provided for illustrative purposes only.

Why choose Hospital Indemnity Insurance from Washington National?

Washington National has been insuring Americans for more than 110 years. Our supplemental policies, including Hospital Indemnity Insurance, are designed to be affordable and practical, to help individuals and families feel more financially secure when faced with unexpected life events.

Hospital Indemnity Insurance from Washington National is:



Flexible

Cash benefits are paid directly to you, not to a doctor or hospital. There are no restrictions on how you use your benefits.



Portable*

You can keep your policy even if you change jobs, move to a different state, retire or go on Medicare.



Consistent

Premiums stay the same. Your rates cannot be increased unless all rates of that kind are raised in your state.



Renewable

Your policy is guaranteed renewable as long as you pay the required premiums on time.

*Portability is not an available option in Washington

Washington National offers you choices*

Customize a Hospital Indemnity Insurance policy that works for you.

Our Hospital Indemnity Insurance policy offers several optional benefit riders:

- » **Hospital Confinement Lump Sum:** Pays a set amount for hospital stays.
- » **Daily Hospital Confinement:** Pays a set amount per day for up to 365 days when a covered person is in a hospital as an inpatient, or admitted into an observation unit.
- » **Waiver of Premium:** Suspends your premium payment if you're hospitalized for more than 30 days.

Other riders offer a daily cash benefit when you need additional services related to a covered accident or sickness, such as:

- » Surgical procedures
- » Rehabilitation facilities
- » ER visits
- » Intensive care unit (ICU) confinement
- » Ambulance transportation
- » Physician's office visits
- » Lab tests and X-rays
- » Imaging and diagnostics

A Washington National agent can help you review your options.

Only from Washington National: Return of Premium Benefit Rider**

To demonstrate our commitment to customers, we offer a benefit: an optional Return of Premium benefit you can add to your hospital policy.

After a certain period, the premiums you've paid will be returned to you, minus any claims you've made.



* Coverage may vary by state and underwriting. Talk to a Washington National agent for details on coverage and availability.

** The return of premium (ROP) or cash value (CV) (in MO, "cash return") benefit is subject to state and product availability. The benefit has an additional charge and may pay minus claims or regardless of claims based on the policy selected. The policy must remain in force until the end of the ROP/CV period for the benefit to be paid.

How hospital indemnity insurance works

With a Washington National Hospital Indemnity Insurance policy, it's simple to access your benefits:

1. A covered hospitalization event triggers your coverage.

Contact Washington National to start your claims process.

2. Submit your claim and any required documentation.

Daily benefits begin to add up from your first day of hospitalization.

3. Receive your cash benefits to use for whatever you need.

Pay for medical expenses, insurance deductibles, household expenses, childcare, transportation and more. There are no restrictions on how you use your benefits.



Hospital indemnity insurance has helped my family when I was out of work. The money received help pay for the hospital cost, etc. It is a great policy to have and the process was effortless.”

-M. Barnaby, Policyholder





Selecting the right coverage for you

Every individual and family has different insurance coverage needs.

If you're considering hospital indemnity insurance, look for a policy that offers:

- » Affordable rates and consistent premiums
- » Cash benefits you can use for whatever you need
- » When purchased through your employer, you can keep your coverage if you change jobs
- » Optional riders to customize coverage that works best for you

A licensed insurance agent* can help you understand your options and recommend the right level of coverage for you and your family.

Help protect your finances and peace of mind with Hospital Indemnity Insurance from Washington National.

To learn more, contact your Washington National agent or call (800) 525-7662.

*A licensed insurance agent in Washington is known as an Insurance Producer.

¹ GOBankingRates, A Night To Remember: The Staggering Costs of a Single Hospital Stay Revealed, https://www.gobankingrates.com/saving-money/health/staggering-costs-of-single-hospital-stay-revealed/?utm_term=incontent_link_8&utm_campaign=1271442&utm_source=yahoo.com&utm_content=11&utm_medium=rss, May 14, 2024.

² Ibid.

³ Ibid.

⁴ Ibid.

⁵ American Hospital Association, Fast Facts on U.S. Hospitals, 2025, <https://www.aha.org/system/files/media/file/2025/01/Fast-Facts-on-US-Hospitals-2025.pdf>, January 2025.

⁶ Becker's Hospital Review, The most common reasons for hospitalizations, <https://www.beckershospitalreview.com/care-coordination/the-most-common-reasons-for-hospitalizations/>, February 20, 2025.

⁷ Ibid.

⁸ KFF, Healthcare Costs and Affordability, <https://www.kff.org/health-costs/health-policy-101-health-care-costs-and-affordability/?entry=table-of-contents-how-has-u-s-health-care-spending-changed-over-time>, October 8, 2025.

⁹ GOBankingRates, A Night To Remember: The Staggering Costs of a Single Hospital Stay Revealed, https://www.gobankingrates.com/saving-money/health/staggering-costs-of-single-hospital-stay-revealed/?utm_term=incontent_link_8&utm_campaign=1271442&utm_source=yahoo.com&utm_content=11&utm_medium=rss, May 14, 2024.

Policy, benefits and riders are subject to state availability and may vary by state.

LIMITED-BENEFIT POLICY. Supplemental health policies have limitations and exclusions. For costs and complete details of coverage, contact an insurance agent.

HOSPITAL DEFINITION:

Hospital does not include a bed, facility, wing, annex, unit or any other special facility that operates or functions as any of the following either within a hospital or outside of a hospital regardless of the name of the facility and intensity of treatment or services: skilled nursing facility; nursing home; extended care facility; convalescent home; rest home, or a home for the aged; sanatorium; rehabilitation facility even if named as rehabilitation hospital; place primarily providing care for individuals with a substance use disorder; or, facility that primarily provides for the care and treatment of mental disease or mental disorders.

Washington National Insurance Company
Carmel, IN 46032

WashingtonNational.com

