Hospital Income Plan
Underwritten by AIG Life Insurance Company

Today's Hospital Costs
Today's hospital costs can wipe out a family's hard-earned savings, regardless of how adequate their present medical insurance might seem. Not only are there substantial costs that are usually not reimbursed by the normal hospital/medical plan, but additional household expenses are also incurred when either the husband or wife is confined for any length of time.

The Hospital Income Plan pays you a predetermined amount each day that you (or any covered family member) are confined in a licensed general hospital, for either sickness or accident covered by the Plan. Starting with your first day you will receive your benefit, for as long as you are in the hospital, for up to two full years. Minimum benefit $30.00, maximum benefit $200.00, per day. You may use the money to help pay the extra hospital charges, or the doctor, or even additional living expenses for your family. You will decide how you want to use the money.

Benefits start with the first day of hospital confinement - up to 730 days (two years) for each accident or sickness. Intensive care benefits are limited to 90 days or until Insured or Insured Dependents attain age 70, whichever occurs first.

Benefits are Paid to You
While the benefits under this plan may be assigned to a hospital or doctor, normally this benefit is paid directly to you to help you assume the financial burden that a serious medical problem may create.

Special Cancer and Intensive Care Benefits
You will receive double daily benefits for hospital confinement due to a pathologically diagnosed cancer or if the confinement requires intensive care. Intensive care benefits are limited to 90 days for each accident or sickness. These double benefits terminate at age 70.

Pays in Addition to other Insurance
Regardless of most other insurance you might carry, this plan will pay in addition to other benefits, including Public Employee's Retirement System, Social Security or Worker's Compensation Insurance.

Exclusions and Limitations
This plan will not pay for suicide or attempted suicide or intentionally self-inflicted injury while sane or insane, declared or undeclared war including resistance to armed aggression, confinement which is not ordered by a doctor or which is not reasonably necessary for the medical care of sickness or injury, alcoholic disorders, injuries sustained while under the influence of a narcotic or hallucinogenic drug unless prescribed by a licensed physician, confinement in a facility where care is provided at the government's expense unless there is a legal obligation in the absence of insurance, the commission or attempt to commit a felony, travel or flight on a vehicle used for aerial navigation, normal pregnancy or childbirth.

How to Apply
Complete the application on page 15. Be sure to sign and include the Payroll Deduction Authorization Form on page 19 with your applications. Your premium will be deducted monthly from your salary. Mail it in the enclosed envelope to the plan administrator, Sanders & Associates, P.O. Box 15787, North Hollywood, CA 91615.

Who is Eligible
All active officers and employees of The California State University if:

(1) You are an employee who is working a minimum of 30 hours.

(2) Spouse and unmarried dependent children. Dependent children are defined as those under age 19; however, coverage will be extended to age 23 if he/she is a full time student at an accredited college or university, and primarily dependent on the employee for support and maintenance.

(3) You are NOT eligible if you are on full time active duty in the armed forces.

Effective Dates of Coverage
If your application is received by the State Controller on or before the 10th of any month your insurance will become effective on the first of the following month. Otherwise, there will be a delay of one month.
Termination of Coverage

Coverage will terminate at the earliest of the following:

(1) Upon reaching the age of 84.

(2) At the end of the period for which the last premium has been paid.

(3) Upon the termination of the master group policy.

(4) The date the insured ceases to be a member of eligible class.

(5) The date the insured requests in writing for coverage to terminate.

(6) The date the lifetime benefit is paid.

Definition of Hospital

"Hospital" means an institution constituted and operated pursuant to the law, engaged in providing on its premises on an in-patient basis at the patient's expense, diagnostic and therapeutic facilities for the surgical and medical diagnosis, treatment and care of injured and sick individuals by or under the supervision of a licensed physician or surgeon and continuously provides 24-hour a day services by registered nurses. The term "hospital" shall not include any institution or part thereof, which is other than incidentally a place for rest, a place for the aged, a place for drug addicts, a place for alcoholics, a nursing home or convalescent hospital, or an institute specializing in the care and treatment of mentally ill patients.

Description of Benefits

This brochure provides a brief description of the benefits available. Complete details may be found in the certificate that you will be provided with upon enrollment. In the event of any conflict between this brochure and the certificate, the certificate will control. Coverages are underwritten by AIG Life Insurance Company on policy form C22366CA. A sample policy is available upon request.

Premium Increases

Premiums will never increase as you age. When you join the plan, your initial premium will remain the same as long as you retain continuous coverage (unless there is a rate increase for the entire group). To figure your monthly premium, determine what you desire to be your daily benefit, from $30.00 to $200.00 per day. Find your age bracket, determine your premium on whether you are covering yourself (column 1), you and your spouse (column 2), or you and your family (column 3). Multiply your daily benefit by the rate, that is your monthly premium.

Example: John chooses a $100.00 daily benefit, and he is covering himself and his spouse. He is 42 years old. His rate per $10.00 of coverage according to the chart, is $3.34. To get his monthly premium, he will multiply the rate of $3.34 by 10 (rate is per $10.00 of coverage, he chose a $100.00 daily benefit which has 10 units of $10.00) and that gives him a monthly premium of $33.40.

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<th>Employee &amp; Spouse</th>
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