

GROUP HOSPITAL and SURGICAL EXPENSE INSURANCE



for Employees of
PAN AMERICAN AIRWAYS, INC.

EMPLOYEES OF THE PAN AMERICAN AIRWAYS SYSTEM:

The Board of Directors, early in 1944, authorized me to install a Plan whereby our employees may enjoy the benefits of Group Hospital and Surgical Expense Insurance.

After careful study of the Plan, as originally installed, it was decided, effective August 1, 1946, to expand the benefits, especially with respect to dependents. The daily hospital allowance was increased and surgical benefits were added. In addition certain other allowances were substantially enlarged for both employees and dependents.

This Plan is outlined in the following pages and you will note that it provides for definite payment to you for each day you or your dependents are confined in a hospital as a result of a non-occupational accident or illness plus a valuable surgical fee reimbursement feature to aid you in meeting the heavy financial obligation that usually accompanies such emergencies.

The object of this Plan is to enable our employees to obtain this type of insurance protection regardless of age or physical condition at a lower cost than they could purchase similar coverage individually. The main reason for the low cost of this insurance is that the System administers the Plan and pays a portion of the premium.

This Plan is underwritten by The Travelers Insurance Company, who also carry our Group Life Insurance.

I urge that each of you give careful consideration to the benefits and protection that this Plan provides for you and your dependents.

A handwritten signature in dark ink, appearing to read "J. V. Whipple", with a stylized flourish at the end.

President

Schedule of Benefits

The amounts of your insurance and contribution are as follows:

FOR EMPLOYEE			FOR EACH DEPENDENT			Monthly Contribution Without Dep. Benefits	With Dep. Benefits
Hospital Daily Benefit	Misc. Hospital Charges (up to)	Surgical Expense Benefits (up to)	Hospital Daily Benefit (up to)	Misc. Hospital Charges (up to)	Surgical Expense Benefits (Up to)		
\$6.00	\$60.00	\$150.00	\$6.00	\$60.00	\$150.00	\$1.06	\$3.35

Your contribution toward the cost of the insurance will be deducted from your pay; the balance of the cost will be contributed by the Company.



When You Receive Hospital Care

Hospital Expense Benefits

You will be paid the Daily Benefit of \$6.00 for each full day you are confined in the hospital as a result of (a) a non-occupational accident or (b) sickness for which you are not entitled to benefits under any workmen's compensation law. The Daily Benefit is payable up to a maximum of 70 days during any one period of disability.

In the event hospital confinement results from pregnancy, including childbirth or miscarriage, the Daily Benefit is payable up to a maximum of 14 days for any one pregnancy.

You will also be paid the amount of hospital charges for medical care and treatment—other than charges for board and room (which are taken care of by the Daily Benefit), nursing care and attendance by a physician—incurred during the hospital confinement up to a maximum of \$60.00 during any one period of disability.

The benefits are payable if you are confined in a legally constituted hospital upon the recommendation of a physician for a continuous period of at least 18 hours and the confinement commences (a) while you are insured or (b) within 3 months after termination of the insurance and during total disability which has been continuous from the date of termination or (c) within 9 months after termination of the insurance if the hospital confinement results from pregnancy.



When You Have a Surgical Operation

Surgical Expense Benefits

You will be paid the amount of the surgeon's fee for the operation up to an amount not exceeding that shown opposite the operation in the Schedule of Operations.

The benefit is payable for a surgical operation resulting from (a) a non-occupational accident, (b) sickness for which you are not entitled to benefits under any workmen's compensation law or (c) pregnancy, including childbirth or miscarriage.

If two or more operations are performed during any one period of disability, the maximum amount payable for all such operations is \$150.00, the highest amount in the Schedule of Operations.

Benefits are payable whether the operation is performed in or out of the hospital unless otherwise specified in the Schedule of Operations.

The benefit is payable if the operation is performed (a) while you are insured or (b) within 3 months after termination of your insurance and during total disability which has been continuous from the date of termination or (c) within 9 months after termination of your insurance provided the operation results from pregnancy.



When Your Dependent Receives Hospital Care

Definition of Dependent

The term "Dependent" for the purpose of this insurance means (a) the employee's unmarried children over three (3) months but under eighteen (18) years of age and (b) the employee's wife.

NOTE: An employee is not entitled to benefits for wife or child if such wife or child is entitled to the benefits as an employee.

Hospital Expense Benefits

You will be paid the amount of the hospital charges for board and room up to \$6.00, the maximum Daily Benefit for each full day your dependent is confined in the hospital as a result of (a) a non-occupational accident or (b) sickness for which the dependent is not entitled to benefits under any workmen's compensation law. The maximum amount payable for hospital charges for board and room during any one period of disability is 70 times the maximum Daily Benefit.

You will also be paid the hospital charges for medical care and treatment—other than charges for board and room (which are taken care of by the Daily Benefit), nursing care and attendance by a physician—incurred during the confinement up to a maximum of \$60.00 during any one period of disability.

If your wife is confined in the hospital as a result of pregnancy, including childbirth or miscarriage, you will be paid the amount of the hospital charges for board and room up to the maximum Daily Benefit of \$6.00 per day for each full day of confinement, not to exceed 10 days for any one pregnancy.

In addition thereto you will be paid the amount of hospital charges for medical care and treatment—other than charges for board and room (which are taken care of by the Daily Benefit), nursing care and attendance by a physician—incurred during such hospital confinement up to a maximum of \$60.00 for any one pregnancy.

The maternity benefit is not payable for hospital confinement commencing within 9 months from the date the insurance with respect to your wife becomes effective.

The benefits are payable if the dependent is confined in a legally constituted hospital upon the recommendation of a physician for a continuous period of at least 18 hours and the confinement commences

- (a) while you are insured with respect to the dependent or
- (b) within 9 months from the date the insurance with respect to your wife terminates, if the confinement results from pregnancy existing when the insurance terminates and provided the confinement commences more than 9 months after the date the insurance with respect to your wife becomes effective.



When Your Dependent Has a Surgical Operation

Surgical Expense Benefits

You will be paid the amount of the surgeon's fee for the operation up to an amount not exceeding that shown opposite the operation in the Schedule of Operations.

The benefit is payable for a surgical operation resulting from (a) a non-occupational accident, (b) sickness for which your dependent is not entitled to benefits under any workmen's compensation law or (c) pregnancy, including childbirth or miscarriage, if the dependent is your wife. The pregnancy benefit is not payable for an operation performed within 9 months from the date the insurance with respect to your wife becomes effective.

If two or more operations are performed during any one period of disability, the maximum amount payable for all such operations is \$150.00, the highest amount in the Schedule of Operations.

Benefits are payable whether the operation is performed in or out of the hospital unless otherwise specified in the Schedule of Operations.

The benefit is payable if the operation is performed

- (a) while you are insured with respect to your dependent or
- (b) within 9 months from the date the insurance with respect to your wife terminates if the operation results from pregnancy existing when the insurance terminates and provided the operation is performed more than 9 months after the date the insurance with respect to your wife becomes effective.



General Information

You Are Eligible

All full-time employees of Pan American Airways, Inc. who have completed 1 month of service and who at the time of application are stationed in the Continental United States, Alaska, Hawaii, Puerto Rico, the Virgin Islands, the Canal Zone, Canada, or Newfoundland, are eligible to subscribe to this plan.

Full-time employees of Pan American Airways, Inc., stationed elsewhere who have completed 1 month of service, may subscribe when the Company shall have announced that the plan is in conformity with the applicable insurance laws in effect where such employees are stationed.

Full-time employees of Compañía Mexicana de Aviación, S. A., who have completed 1 month of service and who at the time of application are stationed in the United States, are eligible to subscribe to the plan.

An employee may subscribe for the employee benefits only, or for the benefits for both himself and his dependents.

An employee may not subscribe for the dependent benefits only.

If husband and wife are both eligible to subscribe for benefits as employees, the husband alone is eligible to apply for the dependent benefits.

An employee who has no dependent will become eligible to subscribe for the dependent benefits on the date he acquires a dependent.

A female employee may not insure her husband as a dependent.

When Employees Are Insured

Each eligible employee who has returned a signed enrollment card will be insured when he completes one (1) month of service if he is then actually at work. If not actually at work on such date, he will be insured from the date of return to active employment.

Employees failing to sign an enrollment card on or before the completion of three (3) months service may find themselves in a position where they may never again have an opportunity of securing this protection.

No charge will be made to an employee until his insurance goes into effect.

No Medical Examination If You Act Promptly

No medical examination will be required if you sign an enrollment card on or before the completion of three (3) months of service.

After you have completed three (3) months of service, you cannot be enrolled for this insurance until you furnish evidence of insurability satisfactory to The Travelers Insurance Company.

This means you must be examined, at your expense, by a physician whom The Travelers have approved as a Medical Examiner.

It is most important that your card be signed promptly, in order to avoid the necessity and expense of medical examination and possible refusal of insurance.

Certificates of Insurance

The Travelers will issue for delivery to you certificates describing the benefits to which you are entitled.

Termination of Insurance

Insurance under the plan will terminate when your employment terminates or prior thereto when you cease to pay to your employer the required amount to apply toward the premium for the insurance.

Payment of Claims

All claims should be reported promptly.

When you need to file a claim for indemnity for hospital or surgical expense incurred on your account, or on account of any of your insured dependents, get a "Statement of Claim Form" from your Personnel Office or Station Manager. It contains spaces for entries by the Company, yourself, the hospital, and the operating physician, and is easy to fill out. Take or send the completed form to a Claim Office of The Travelers Insurance Company (the Personnel Department or Station Manager will give you the address), and The Travelers will act at once to examine and approve the claim, and upon approval, will pay you immediately and directly.

Transferees

If (a) you have been stationed in a country where this plan has not yet been offered, or if (b) you have been employed by one of the subsidiary, associate, or affiliate companies of Pan American Airways, Inc., and, in either case, you transfer to employment by Pan American Airways, Inc., or Compañía Mexicana de Aviación, S. A., in a country where the plan is offered, you of course are not a "new employee" and you do not have to wait a month before subscribing to this insurance, provided you have completed at least one month of service prior to your date of transfer. You are eligible to enroll (for yourself and also for your eligible dependents, if any) immediately upon your transfer. If you return a signed enrollment card within two (2) months after date of your transfer, no medical examination will be required of either yourself or your dependents.

In case of other transfers (between Divisions or payrolls or between PAA, Inc., and CMA in the United States), if you are already insured, you are NOT required to sign a new enrollment card. The old one remains valid, and the insurance under it continues in force. If no payroll deduction for this insurance is made in the first month after transfer, notify the Personnel Department or your Station Manager.

Leave of Absence

If you go on leave of absence (except Military leave), or are laid off temporarily, you are permitted to keep this insurance in force, both on yourself and on your dependents if they are covered, for a period not exceeding thirty-one (31) days. If your leave is with pay, no action on your part is necessary. If it is

without pay, you must, at or before the beginning of your leave or lay-off, pay your share of the month's premium in advance and advise your Personnel Department in writing that you want the insurance continued.

If your leave is on account of sickness or other physical disability, the 31-day limit does not apply and you should arrange for continuing the insurance during the entire period you are absent on leave.

On return from leave of absence (for any reason, including Military leave), or from a temporary lay-off, the insurance which you were carrying before the leave or lay-off began will be reinstated immediately. You will not have to wait a month, and there will be no medical examination. The reinstatement should not require any action on your part; but, if no payroll deduction is made for this insurance in the first month after return, you should notify the Personnel Department or your Station Manager.

This Insurance Good Anywhere

Once this insurance is in force, and as long as you keep it in force it covers you (and your eligible dependents, if you include them) anywhere and everywhere in the world—no matter what Division, Company, or Office of Pan American Airways, Inc., and/or its subsidiaries, associates, and affiliates may be your immediate employer, or in what country you may be stationed, or whether you are in transit from one point to another. The fact that this insurance may not yet be offered in a particular country, does not affect the validity of your insurance, or that of your dependents, if you or they are living or working in that country.

This insurance can be kept in force irrespective of where you are stationed, or which of Pan American Airways, Inc.'s subsidiary, associate or affiliate companies is your employer, provided arrangements can be effected with that company to make your payroll deductions and pay the employer's share of premium.

Schedule of Operations

Maximum Pay-
ment on account
of Surgeon's Fees

ABDOMEN—

Cutting into abdominal cavity for diagnosis or treatment
of organs therein (unless otherwise specified below) . . . \$100

ABSCESS—

Requiring hospital residence (furuncles excepted) . . . 25

AMPUTATION OF—

Thigh 75
Leg, entire foot, arm, forearm or entire hand 50
Fingers or toes, each 10

BLOOD TRANSFUSIONS—each 25

BREAST—

Amputation 100
Abscess, deep, not requiring hospital residence (furuncles
excepted) 25

CHEST—

Complete thoracoplasty, or removal of portion of lung . . 150
Other cutting into thoracic cavity for diagnosis or treatment
(tapping excepted) 40
Induction of artificial pneumothorax 25

DISLOCATION—Reduction of

Hip or knee joint (patella excepted) 35
Shoulder, elbow or ankle joint 25
Lower jaw 15
Collar bone or wrist 10

For dislocations requiring an open operation the maximum
payment will be twice the amount shown above.

EXCISION—Removal of

Shoulder or hip joint 100
Knee joint 75
Elbow, wrist or ankle joint 50
Diseased portion of bone, including curettage (alveolar
process excepted) 50

EAR, NOSE OR THROAT—

Mastoidectomy
One side 75
Both sides 100
Tonsillectomy, or tonsillectomy and adenoidectomy . . . 25
Sinus operation by cutting (puncture of antrum excepted) . 35
Puncture of antrum 5
Submucous resection of nasal septum 35
Tracheotomy 35
Bronchoscopy for removal of foreign body or biopsy . . . 35
Any other cutting operation (tapping excepted) 10

EYE—

Any cutting operation into the eyeball (through the cornea or sclera)	\$50
Removal of eyeball	35
Removal of foreign body from cornea or sclera	5
Any other cutting operation on eye	20

FRACTURE—Treatment of

Thigh, leg, kneecap, upper arm, vertebra or vertebrae, or pelvis (coccyx excepted)	50
Lower jaw (alveolar process excepted), collar bone, shoulder blade or forearm	25
Wrist, hand, ankle or foot	15
Fingers or toes, one or more	10
Nose, rib, or ribs	10

The amounts shown above are for simple fractures.

For compound fractures the maximum payment will be one and one-half times the amount shown above for the corresponding simple fracture.

For fractures requiring an open operation, the maximum payment will be twice the amount shown above for the corresponding simple fracture.

GENITO-URINARY TRACT—

Removal of kidney	150
Cutting into or fixation of kidney	100
Removal of tumors or stones in kidney, ureter or bladder	
By cutting operation	100
By crushing, cauterization or endoscopic means	25
Stricture of urethra	
Open operation	50
Intra-urethral cutting operation	25
Removal of entire prostate by open operation (complete procedure)	150
Removal of part of prostate	
By endoscopic means	40
By other cutting operation	75
Varicocele, cutting operation on	25
Hydrocele, excision, or incision and treatment of sac (tapping excepted)	25
Orchidectomy or epididymectomy	35
Complete removal of uterus, tubes and ovaries	150
Other operations on uterus and its appendages	
Cutting operations with abdominal approach	100
Cutting operations without abdominal approach	50
Dilatation and curettage (non-puerperal)	25

GOITRE—

Thyroidectomy (complete procedure, including ligation of thyroid arteries, to be treated as one operation)	\$150
Ligation of thyroid arteries not followed by thyroidectomy	
One or more at one operation	50
Two or more stage operation	75
(complete procedure to be treated as one operation)	

HERNIA—Cutting operation for radical cure of

Single hernia	50
More than one hernia	75

JOINT—Incision into (tapping excepted) 25

LIGAMENTS—

Cutting operation	25
Suturing of tendons, single	25
Suturing of tendons, multiple	40

OBSTETRICAL—

Delivery of child or children	50
Caesarean section, including delivery	100
Abdominal operation for extra-uterine pregnancy	100
Miscarriage	25

PARACENTESIS—Tapping of

Abdomen, chest, or bladder (other than catheterization) .	10
Ear-drum, hydrocele, joint or spine	10

RECTUM—

Cutting operation or injection treatment for radical cure of hemorrhoids (complete procedure)	25
Cutting operation for prolapsed rectum or fistula in ano .	25
Cutting operation for fissure	10

SKULL—Cutting into cranial cavity 150

SPINE OR SPINAL CORD—Operation with removal of portion of vertebra or vertebrae (coccyx excepted) 150

Removal of part or all of coccyx	50
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TUMORS—Cutting operation for removal of

Malignant tumors except those of face, lip or skin . . .	100
Malignant tumors of face, lip or skin	25
Benign tumors requiring hospital residence	25
Benign tumors not requiring hospital residence	10

VARICOSE VEINS—Cutting operation or injection treatment (complete procedure on all veins) 40

