



Solid partners, flexible solutions®

HSA Legislation Creates Unlimited Market

We make it easy to capitalize on this huge opportunity.

A Health Savings Account, the newest tax-favored medical savings account, is **permanent, portable and available to everyone** – individuals and employers – with qualified high deductible medical plans. Your clients will save premium and accumulate tax-favored savings for qualified medical expenses.

How big is the market? Congressional Analysts have estimated that over 40 million accounts will be established within the next 10 years. Accounts are easy to understand and to sell and this new market is possibly **the biggest sales opportunity agents have seen in years**. Here are some of the details on HSAs for your business:

Effective January 1, 2004, eligible contributions to an HSA are deductible when determining gross income.

Anyone who has a qualified high deductible health insurance plan is eligible for an HSA.

High Deductible Health Plans:

To qualify as a high deductible plan, the minimum deductible must be at least \$1000 - individual or \$2000 - family.

Out-of-pocket maximums are \$5000 - individual and \$10,000 - family for 2004. Out-of-network out-of-pocket limits are not included in the out-of-pocket maximum.

A high deductible plan may cover preventive care as defined by federal law.

Contributions:

Annual contribution limits for 2004 are the lesser of: 1) the amount of the deductible and 2) \$2600 - individual or \$5150 - family. Individuals 55 and over are allowed to contribute an additional \$500 for 2004.

Contributions may be made by anyone on behalf of the account beneficiary.

For agent use only. These guidelines apply to HSAs and high deductible health plans designed for individuals and families. Insurance products are underwritten and issued by Fortis Benefits Insurance Company and Fortis Insurance Company, Fortis Health member companies.

Disbursements:

The money in the HSA accumulates tax-deferred and can be withdrawn tax-free to pay for any qualified medical expense.

Withdrawals for reasons other than qualified medical expenses prior to age 65 are taxable and subject to a 10% penalty.

Upon death, disability, or attaining age 65, funds can be withdrawn for non-medical reasons with no penalty, but such disbursements are included in gross income.

Tax-free withdrawals may be used to pay premiums for qualified long-term care insurance; COBRA continuation; health insurance in effect while receiving unemployment compensation under any federal or state law; and, if you are age 65 or older, any health insurance other than a Medicare Supplemental policy.

The HSA is an **enormous sales opportunity**. Join the HSA experts at Fortis Health in bringing your clients this innovative health insurance product – **we make it easy and profitable for you**.

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