



ASSURANT  
Health

# Take Control

*of Health Care Costs*

## HSA

*Health Savings Account Plans  
for Small Employer Groups*

**Time** Insurance

# Lower health care costs now...

## ...Build savings for the future

Small business owners look for ways to lower their insurance expenses.

### Time's Money-Saving Solution

The Time Insurance solution is to provide employers with a high deductible health insurance plan that provides significant premium savings yet protects employees from financial hardship in case of a serious illness or injury. Employees have the opportunity to pay for health expenses with tax-free dollars and/or accumulate money through a tax-favored savings account called a Health Savings Account (HSA).

- HSA's are:
- ★ **Tax-free** – contributions, withdrawals and interest
  - ★ **Flexible** – available to any size group and anyone can contribute *(employers and/or employees)*
  - ★ **Permanent** – federally authorized program
  - ★ **Portable** – employees own, manage and take funds with them

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See how an HSA and a high deductible health insurance plan can provide you with:

### Premium Savings, Tax Advantages and Investment Opportunities

#### Premium Savings for You and Your Employees

- **Clear Choice HSA Plans** are high deductible health insurance plans underwritten by Fortis Insurance Company and presented by Time Insurance
- You can achieve **premium savings of up to 25%** – even more depending on deductible and rate of payment choices – when selecting a Clear Choice HSA Plan
- You can **help employees** by using a portion of the premium savings to reduce the amount they pay towards premium or to contribute to their HSAs
- Offer **multiple plans** such as an HSA plan for yourself and a copay plan for employees

#### Tax Advantages for You and Your Employees

- HSA **contributions** are either tax deductible or made with pre-tax dollars through a cafeteria plan
- Earned **interest** is tax-free
- Qualified **withdrawals** are tax-free
- Additional “catch-up” contributions are allowed for those age 55 and older *(\$600 in 2005)*

#### Investment Opportunities for You and Your Employees

- Unused funds earn interest and accumulate from year to year
- Accumulated funds may be used to supplement retirement income *(similar to a 401k plan)*

## Lower Health Care Costs with Our High Deductible HSA Plans

You get plan flexibility to achieve the premium savings you want.

Time offers plans with a variety of deductible and rate of payment choices, so employers can achieve the type of premium savings they desire. Employers can save up to 25% or more with a Clear Choice HSA Plan versus a typical Clear Choice Copay Plan.

Single Deductible	\$2,000	\$2,000	\$2,500	\$2,500	\$3,000
Rate of Payment	100%	80%	100%	80%	80%
Premium Savings (Approximate)	25%	35%	35%	40%	45%

**Easy Introduction** – Many employers selecting an HSA plan for the first time, opt for a simple plan design such as the \$2,000 deductible and 100% rate of payment.

**Greater Premium Savings** – Employers looking for greater savings for themselves or to fund employees' HSAs, can create different deductible / rate of payment combinations to achieve their goal.

You can provide peace of mind for your employees.

When you select an HSA Plan from Time Insurance, you get great HSA plan rates and:

- the **experience of a company** that has sold and serviced health insurance plans for over 110 years and has been offering high deductible plans accompanied by savings accounts since the concept was first approved by the federal government in 1996
- the **confidence** that comes from dealing with an industry leader in the small group and individual health insurance markets that has over one million customers nationwide
- the **financial stability** of a health insurer rated Excellent (A-) by A. M. Best Company  
\*A.M. Best is a rating organization that evaluates insurers' financial strength. The rating represents the organization's opinion of Fortis Insurance Company's ability to meet its ongoing obligations to policyholders, based on a comprehensive quantitative and qualitative evaluation, of a company's balance sheet strength, operating performance and business profile.

## Build Savings for the Future with Our HSA Accounts

You can have the convenience of an integrated approach for both the HSA Clear Choice plan and the HSA account.

HSA Tools is Assurant Health's **comprehensive HSA administration** program. HSA Tools provide you and your employees with easy access to your HSA funds and resources to save money on medical expenses. It's a smart solution for managing your health care and best of all – HSA Tools is available **at no additional cost!**

**HSA Tools** provides these advantages for you and your employees:

- **No HSA account setup or separate monthly administration fees**
- A handy **VISA® debit card and checks** for easy withdrawals
- **Up to 3% interest** on HSA funds, depending on account balance
- **Online services** to track and transfer account funds
- **Online features** to verify and manage expenses
- **Online resources** for medical and prescription information

## Clear Choice Plans for Use with HSAs

Select a Clear Choice high deductible plan specifically designed just for use with HSAs.

Creating your HSA high deductible plan is easy!

- 1 Select the appropriate plan type.
- 2 Select the desired benefit payment structures.
- 3 Select additional optional coverages and programs to enhance plans.

Plan Types	
■ PPO Plans	PPO Plans feature physician and hospital networks that include a variety of excellent national and regional PPO networks.
■ Traditional Indemnity Plans	Traditional Indemnity Plans are best suited for those who live and work outside a PPO network area. Plans are subject to usual and customary charges.

Benefit Payment Structures						
■ Lifetime Maximum Choices	\$2,000,000	\$5,000,000	\$8,000,000			
■ Annual Deductible Choices	Single Deductible: \$1,200	\$2,000	\$2,500	\$3,000	\$3,500	\$4,000 \$5,000
	Family Deductible: \$2,400	\$4,000	\$5,000	\$6,000	\$7,000	\$8,000 \$10,000
■ Family Deductible Accumulation Popular choice for \$1,200 – \$3,000 deductibles  Good choice for \$3,500 or higher deductibles	<p>You select the way in which money accumulates toward the deductible for family coverage.</p> <p>1) <b>Common Family Deductible</b> The entire family deductible must be satisfied before benefits are paid for any family member.</p> <p>2) <b>Individual Deductible with a Family Maximum</b> This is the accumulation method used by most medical insurance plans. When a covered person satisfies his or her individual deductible, the plan pays all additional covered expenses for that individual. Expenses for other covered family members are combined to satisfy the remainder of the family deductible.</p>					
■ Maximum HSA Account Contributions  Additional Contribution	<p>The lesser of the deductible or \$2,650 for Singles and \$5,250 for Families <i>These amounts are increased annually based on the Consumer Price Index</i></p> <p>\$600 in 2005 for those aged 55 and older – increases \$100 annually up to \$1,000 in 2009 and thereafter</p>					
■ Rate of Payment (ROP) and Annual Out-of-Pocket (OOP) Limit Choices	Network	ROP	OOP	Non-Network	ROP	OOP
		100%	\$0		70%	\$1,500
		80%	\$1,000		50%	\$2,500
		50%	\$2,500		50%	\$5,000
	<p>Out-of-pocket limits do not include the deductible. The family out-of-pocket limit is two times the single limit.</p>					

## Clear Choice Benefits

Clear Choice HSA high deductible plans provide you with wellness benefits in addition to extensive inpatient and outpatient coverage.

The plan covers charges for health care services that are either medically necessary to treat a covered illness or injury – or are covered wellness services.

All covered services are subject to the selected plan deductible and rate of payment unless otherwise indicated in the Benefits Chart. With PPO plan types, covered services at a network provider are paid at the selected rate of pay after the deductible. Covered services received from non-network providers are subject to the selected deductible, usual and customary charges and the non-network rate of payment. Variations are indicated in the Benefits Chart.

Indemnity plans are subject to usual and customary charges.

All covered services are subject to the selected plan deductible and rate of payment unless otherwise indicated.

Clear Choice HSA Plan Benefits	
<ul style="list-style-type: none"> <li>Wellness Services Routine physical exam, well-child care to age 16, immunizations</li> </ul>	<p>PPO Plans - No separate dollar maximum <i>Non-network</i>: Not covered</p> <p>Indemnity Plans Maximum benefit of \$300 per person per calendar year</p>
<ul style="list-style-type: none"> <li>EKGs, Treadmill, Proctosigmoidoscopy</li> </ul>	<p>PPO Plans <i>Network</i>: Covered at 100% - no deductible - subject to contract schedule <i>Non-network</i>: Not covered</p> <p>Indemnity Plans Subject to \$300 wellness maximum</p>
<ul style="list-style-type: none"> <li>Outpatient preventive x-ray and lab tests</li> </ul>	<p>PPO Plans <i>Network and non-network</i>: Subject to deductible and network rate of payment</p>
<ul style="list-style-type: none"> <li>Physician Services</li> </ul>	<p>Diagnosis and treatment including surgery and anesthesia</p>
<ul style="list-style-type: none"> <li>Emergency Treatment</li> </ul>	<p>PPO Plans <i>Network and non-network</i>: Subject to deductible and network rate of payment</p>
<ul style="list-style-type: none"> <li>Emergency Ambulance</li> </ul>	<p>Ground or air ambulance services to the nearest hospital that can treat the illness or injury</p> <p>PPO Plans <i>Network and non-network</i>: Subject to deductible and network rate of payment</p>
<ul style="list-style-type: none"> <li>Outpatient X-ray and Lab Tests</li> </ul>	<p>PPO Plans <i>Network and non-network</i>: Subject to deductible and network rate of payment</p>
<ul style="list-style-type: none"> <li>Outpatient Prescription Drugs</li> </ul>	<p>A preferred pricing card is used at time of purchase. A discount may be given on covered prescription drugs when filled at a network pharmacy. The network pharmacy electronically reports paid covered expenses which are then applied to the plan deductible. Once the deductible is satisfied, the insured is reimbursed for the prescription.</p>

## Clear Choice HSA Plan Benefits cont.

<ul style="list-style-type: none"> <li>■ <b>Hospital Services</b></li> </ul>	<p>Inpatient: semi-private room and board, intensive care, special care units, x-ray and lab procedures, ancillary hospital services</p> <p>Outpatient: services provided by a hospital, medical center or ambulatory surgical center</p>
<ul style="list-style-type: none"> <li>■ <b>Maternity</b></li> </ul>	<p>Vaginal and medically necessary cesarean section deliveries, prenatal and post-partum care and amniocentesis</p> <p>Optional for groups of 3-9 – included for groups of 2 and 10 or more</p>
<ul style="list-style-type: none"> <li>■ <b>Transplants</b></li> </ul>	<p>Kidney, cornea and skin transplants (Type 1) covered same as any other illness Heart, lungs, heart/lung, liver, kidney/pancreas and bone marrow transplants (Type 2) covered as follows:</p> <ul style="list-style-type: none"> <li>■ Designated Transplant Facility – Paid up to maximum plan benefit</li> <li>■ Non-designated Transplant Facility (<i>network</i>) – Paid up to a maximum of \$100,000 per organ</li> <li>■ Non-designated Transplant Facility (<i>non-network</i>) – Subject to non-network rate of payment and \$100,000 per organ maximum</li> </ul>
<ul style="list-style-type: none"> <li>■ <b>Rehabilitation</b></li> </ul>	<p>Inpatient: up to 30 days per person per calendar year</p> <p><b>PPO Plans</b> <i>Network and non-network:</i> Subject to deductible, then paid at 100%</p> <p>Outpatient: up to 60 visits per person per calendar year Back/Spine/Neck: up to 20 visits per person per calendar year</p>
<ul style="list-style-type: none"> <li>■ <b>Home Health Care</b></li> </ul>	<p>Up to 160 hours per person per calendar year <i>Network and non-network:</i> Subject to deductible, then paid at 100%</p>
<ul style="list-style-type: none"> <li>■ <b>Skilled Nursing Facility</b></li> </ul>	<p>Up to 30 days per person per calendar year</p> <p><b>PPO Plans</b> <i>Network and non-network:</i> Subject to deductible and network rate of payment</p>
<ul style="list-style-type: none"> <li>■ <b>Hospice</b></li> </ul>	<p>Inpatient or outpatient services <i>Network and non-network:</i> Subject to deductible and network rate of payment</p>
<ul style="list-style-type: none"> <li>■ <b>Supplies and Equipment</b></li> </ul>	<p>Oxygen, whole blood and blood components, casts, splints, trusses, crutches, orthopedic braces, prosthetic devices, non-motorized wheelchair</p> <p><b>PPO Plans</b> <i>Network and non-network:</i> Subject to deductible and network rate of payment</p>
<ul style="list-style-type: none"> <li>■ <b>TMJ</b></li> </ul>	<p>\$1,000 lifetime maximum</p>
<ul style="list-style-type: none"> <li>■ <b>Mental Illness, Nervous Disorders and Substance Abuse</b></li> </ul>	<p>Inpatient: covered at 50% up to \$5,000 per year for all providers Outpatient: covered at 50% up to \$1,000 per year for all providers \$5,000 combined maximum benefit per person per calendar year for all inpatient and outpatient treatment</p>
<ul style="list-style-type: none"> <li>■ <b>Family Protection Package</b> <b>Survivor Benefit</b></li> </ul> <p><b>Dependent Life</b></p>	<p>Additional protection for dependents at no additional cost If covered employee dies, the premium for surviving dependents is waived for up to one year.</p> <p>Life coverage is included for all dependents as follows:</p> <ul style="list-style-type: none"> <li>■ \$2,500 for spouse</li> <li>■ \$1,000 for dependent children age 6 months and older</li> <li>■ \$100 for dependent children age 15 days to 6 month</li> </ul>

## Select the Best Product

Consumer Choice products are the answer many small business owners have been looking for to contain rising healthcare costs.

### HSA plans are the newest Consumer Choice product from Time Insurance.

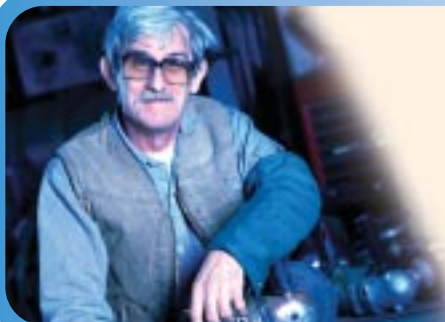
To help you determine the best Consumer Choice product, Time has identified several groups particularly well-suited to take advantage of HSA benefits.



**Smaller, family-owned-and-operated businesses** can use the HSA to provide tax-free savings for employees to pay for future healthcare expenses or supplement their retirement income.



**Highly compensated professionals** can benefit from the HSA by contributing tax-free funds, earning tax-free interest and withdrawing tax-free funds to pay for qualified expenses. Funds withdrawn after age 65 are not subject to any penalty and would likely be taxed at a lower rate.



**Employers able to provide very limited employee benefits** can keep the premium savings for themselves so the insurance is affordable and can offer the HSA to employees as a means to accumulate funds to supplement retirement income.



**Employers not eligible for an HRA** (Health Reimbursement Arrangement) but who want them for their employees, can select the HSA for themselves (partners, shareholders with more than 2% stock in S corporation) and an HRA or copay plan for employees.

## Options

Enhance your employees' plan by adding optional first-dollar coverage for accidents or wellness services. For diverse employee needs, you can set up multiple medical plans.

### Accident Medical Expense (AME) Benefit\*

Many groups have healthy employees who typically don't use health care services but realize they can't avoid all accidents. The costs to treat an injury can be significant, which can raise concerns about a high deductible.

The AME benefit can relieve employee concerns about covering unexpected injuries.

If you choose this option, covered persons have 100% first-dollar coverage – up to the selected benefit amount – for treatment of an accidental injury that is received within 90 days of the accident. Treatment in excess of the selected benefit amount, or which occurs more than 90 days after the accident, is subject to the plan deductible.

#### AME Benefit Choices:

\$300 \$500 \$1,000 \$2,000 \$5,000\*\*

*\*\* only available on the \$5,000 deductible*

The AME benefit is particularly well-suited for employees with young, active children.

### First-Dollar Wellness Benefit\*

Some employees are reluctant to spend their money on preventive care, especially when adjusting to a high deductible plan. You can encourage employees to take good care of their health by providing first-dollar benefits to cover routine physicals, x-rays and other preventive services. The Wellness Option covers up to \$300 per person per year.

### Preferred Pricing Drug Card

If you want an HSA plan but need an even lower premium, you can replace prescription drug coverage with a Preferred Pricing Drug Card.

The card provides a discounted rate for many covered outpatient prescriptions at network pharmacies. Drugs are not covered under the Clear Choice plan and consequently are not applied to the annual deductible or out-of-pocket limit.

### Employee Choice Program

Employee Choice enables you to offer up to four different benefit plans. Each employee chooses the plan that best suits his or her needs.

Employee Choice is also ideal for accommodating remote employees who live outside of the area serviced by your primary PPO.

You may vary the following features:

- PPO Plan Type
- PPO Network
- Deductible
- Out-of-Pocket Limit
- AME Benefit Option
- Health Savings Account
- Health Reimbursement Arrangement

Many employers are using Employee Choice to set up an HSA plan for themselves and an HRA or copay plan for employees.

*Refer to the Employee Choice Insert (Form 27058) for details.*

### Waiting Period

The waiting period, or affiliation period, is the amount of time all new employees have to wait before being covered under your Clear Choice HSA plan. You choose whether current employees will be covered immediately or have the same waiting period as future hires.

#### Waiting Period Choices:

30 Days      60 Days      90 Days  
120 Days      150 Days      180 Days

*\*Option available at additional cost.*

## Additional Information

### Prescription Drug Information

#### Mail Order Service

A convenient network mail order service providing home delivery of prescription medications is available. Up to a 90-day supply of selected maintenance medications may be purchased.

#### Preferred Pricing

The drug card also provides for preferred pricing on many “lifestyle” prescription drugs not covered by the HSA Plan (e.g., Zyban® for smoking cessation), so all covered persons should be sure to use their card every time they fill a prescription.

#### Brand Drugs

If a covered person receives a covered brand drug when a generic equivalent is available, benefits are considered based upon the price of the generic equivalent.

#### Non-Network

If a covered person purchases a covered generic or brand prescription outside of the pharmacy network, he or she needs to submit a claim to the pharmacy network administrator. Benefits are considered based upon the usual and customary reimbursement for the cost of the drug at a network pharmacy.

### Pretreatment Review

When a covered person needs inpatient treatment or outpatient surgery, he/she must call a health representative to receive authorization. The toll-free telephone number appears on the insurance ID card. If authorization is not received, a penalty of 25% of the charge, up to \$1,000 could be applied. There is no coverage for Type 2 transplant cases that are not authorized. Pretreatment review is not a guarantee of coverage.

### Pre-existing Conditions

A pre-existing condition is a condition, regardless of cause, for which medical advice, diagnosis, care or treatment was recommended or received during the six months prior to the enrollment/effective date. A condition is considered pre-existing whether or not it is disclosed on the enrollment form. Pre-existing conditions are not covered for 12 months, unless continuity of coverage or takeover provisions apply.

### Takeover Provisions

If the Clear Choice HSA Plan is replacing an existing group major medical plan, those employees covered by the prior plan receive base plan deductible and pre-existing conditions limitation credit.

### Continuity of Coverage

If one or more of your employees had prior creditable/qualifying coverage through a plan other than your group plan, credit towards the pre-existing conditions waiting period is given for the time covered under that prior plan, provided there has not been a break in coverage of 63 or more consecutive days (excluding any waiting period).

This brochure provides summary information. Refer to the State Brochure Supplement or State Variations for state specific differences. Please refer to the certificate of insurance for actual terms and conditions that may apply as well as a complete list of benefits, limitations and exclusions. In the event that there are discrepancies with the information in this brochure, the terms and conditions of the coverage documents will govern. Product offerings are subject to change.

This brochure is provided with the understanding that Fortis Insurance Company and its subsidiaries are not engaged in rendering tax or legal advice. If tax or legal advice is required, seek the services of a competent professional.

For information on qualified medical expenses, refer to Internal Revenue Service (IRS) Publication 502 titled, “Medical and Dental Expenses”, Catalog Number 15002Q. Publications can be ordered from the IRS by calling 1-800-TAX-FORM (1-800-829-3676) or by visiting their Web site at [www.IRS.gov](http://www.IRS.gov).



# ASSURANT Health

**Assurant Health**  
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## **Clear Choice HSA Plans do not provide benefits for:**

- Treatment not listed in the Covered Medical Services section
- Routine hearing care, routine vision care, glasses, contact lenses, vision therapy, surgery to correct vision, routine foot care or orthotics
- Dental care not related to an injury; jaw alignment conditions or malformations
- Cosmetic services; experimental treatment; complications of an excluded service
- Charges by a health care practitioner who is an immediate family member (you, your spouse, children, brothers, sisters, parents and their spouses) or who resides with a covered person; charges for which a covered person is not liable
- Charges reimbursable by Medicare, Worker's Compensation, automobile carriers; expenses for which other coverage is available
- Behavioral modification; smoking cessation; weight reduction; sexual dysfunction; sex transformation; educational testing or training
- Infertility; genetic testing; surrogate pregnancy; growth treatment; sterilization reversal; elective abortions
- Custodial care; private nurse; masseuse; phone consultations; over-the-counter products; vitamins; herbal medicines
- Services performed outside of the United States (except for emergency treatment)
- Illness or injury caused by war, commission of crime, attempted suicide or self-inflicted injury

Assurant Health markets products underwritten by Fortis Insurance Company.

Master Policy Form Numbers are P97.100.POL.ZZ, P99.100.POL.LA, P99.100.POL.MN or P99.100.POL.SD.

For Texas, Master Policy Form Numbers are P97.100.POL.AG, P97.100.POL.CN, P97.100.POL.FI, P97.100.POL.MF, P97.100.POL.SV, P97.100.POL.WR

### ***About Assurant Health***

In business since 1892, Assurant Health provides health insurance coverage for more than one million people nationwide. Assurant Health develops and provides a wide range of individual medical, small group, short term and student health insurance products, as well as non-insurance products. Assurant Health also provides consumer-choice products such as Health Savings Accounts and Health Reimbursement Arrangements. With almost 3,000 employees, Assurant Health is headquartered in Milwaukee, Wis., and has operations offices in Minnesota, Idaho, and Florida, as well as sales offices across the country. Assurant Health products are underwritten and issued by Fortis Insurance Company, John Alden Life Insurance Company and Fortis Benefits Insurance Company. The Assurant Health Web site is [www.assuranthealth.com](http://www.assuranthealth.com).

Assurant Health is part of Assurant, which offers specialized insurance products and related services in North America and selected other markets.

Its four key business units – Assurant Employee Benefits; Assurant Health; Assurant Preneed; and Assurant Solutions – have partnered with clients who are leaders in their industries and have built leadership positions in a number of specialty market segments and in the U.S. and selected international markets.

Assurant is traded on the New York Stock Exchange under the symbol AIZ. The Assurant Web site is [www.assurant.com](http://www.assurant.com).

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