

CLAIMS / WITHDRAWALS / DISBURSEMENTS

How can I obtain reimbursement for medical expenses from my HSA?

At the time of enrollment, you indicated on the HSA application whether you wanted us to automatically reimburse you for submitted medical expenses or if you wanted to be reimbursed only upon request.

If you chose to be automatically paid from HSA funds, the claims can be submitted by you or your medical provider. If the claim is submitted by the provider and not paid by your plan, both you and the provider will be notified. These claims will then be applied to the HSA. If sufficient HSA funds are available, payment will be made directly to you. We do not pay your providers directly from your HSA account.

If you chose to be paid only upon request, just send us your receipt or a written request for reimbursement stating the date of service or date of request, the amount to be disbursed, and reason for disbursement.

Send your request to **Assurant Health, HSA Disbursement, P. O. Box 3015, Milwaukee, WI 53201-3015.**

The disbursement will be processed and mailed to you in accordance with disbursement minimums.

How often are HSA claim disbursements made?

For automatic payment, requests will be processed and issued once per month when requests total \$100 or more, quarterly for requests totaling less than \$100 but at least \$10, and annually for requests that total less than \$10. For written requests, checks will be issued at month end regardless of the amount.

Are there restrictions regarding the types of claims that can be disbursed from the HSA?

There are no restrictions on the types of claims that can be paid from the HSA. The funds in the account belong to you, the customer. However, the HSA law restricts the types of expenses that are tax deductible.

Reimbursements that are not qualified expenses as defined by the tax code are taxed as ordinary income and are also subject to a 10% penalty by the IRS. A detailed list and description, Publication 502 "Medical and Dental Expenses," can be obtained by contacting the IRS. Call 1-800-TAX-FORM (1-800-829-3676) and ask for Publication 502, or go to www.irs.gov.

Assurant Health markets products underwritten by Fortis Insurance Company and presented by Time Insurance.

Form 28451 (Rev. 10/2004)



ASSURANT
Health

**Valuable
Information**
*for Individual Medical
HSA Customers*

Time Insurance

Now that you have established a Health Savings Account (HSA) with Fortis Insurance Company, you probably have a few questions about how the custodial account works. As you know, HSAs provide you with the opportunity for tax savings on funds contributed to the account to pay for future medical expenses.

To understand the administration of your custodial account and to help you obtain the maximum tax savings, read the questions and answers below.

CONTRIBUTIONS

How will I know what amount to contribute to my HSA and when to contribute it?

On your Fortis Insurance Company HSA Application, you indicated your preferred contribution for the calendar year. When your HSA is set up, you will receive an HSA kit with 12 contribution coupons and information about your HSA. You'll receive 12 coupons each year. Contributions can be made as often as you wish during the year, up to your maximum contribution amount.

Along with your kit you will receive a Health Savings Account Summary, which will include information about your maximum allowable contribution for the year.

What if I only had qualifying medical coverage for 8 months of the calendar year?

If you only had qualifying medical coverage for a portion of the year, your annual maximum HSA qualified contribution is calculated by proration.

To calculate the annual maximum contribution, take 100% of your chosen deductible, or the maximum contribution amount if applicable, divide the number by 12, then multiply by the number of months you will have qualifying medical coverage.

For deductibles that exceed the maximum contribution, the maximum contribution is prorated rather than the deductible.

What is the maximum out-of-pocket expenses?

The out-of-pocket maximum, which is the deductible and coinsurance combined cannot exceed \$5,100 for an individual and \$10,200 for a family.

Your plan may have less out-of-pocket.

How often will deductibles change?

HSA deductibles, out-of-pocket expenses and annual contributions may change each year due to the Consumer Price Index.

How is interest calculated on my HSA balance?

Fortis Insurance Company custodial accounts earn interest at the annual rate of 3% on a minimum balance of \$5,000. An account balance of less than \$5,000 but at least \$750 will earn interest at the rate of 2%. Interest is compounded quarterly. Fortis Insurance Company reserves the right to alter the minimum account balance requirements and interest Fortis Insurance Company pays.

What happens if I contribute funds in excess of the annual allowed amount?

The law imposes a penalty on excess contributions. You would also be required to pay tax on the interest earned on the excess funds. If you believe that you have made deposits that are in excess of the allowed amount, contact us to request reimbursement of excess funds. If you believe your annual maximum amount of deposit is incorrect, you can contact us to make any adjustments.

What if I change jobs?

HSAs are permanent and portable. You can take your HSA account to your next job.

If I terminate my HSA custodial account, what happens to my individual medical policy?

You can continue to take advantage of your high deductible health plan with the same plan benefits and premium even if you choose to discontinue your HSA.