

Health Savings Accounts

Health Savings Accounts (HSA) help you take control of your health care expenses with a tax-favored savings account and comprehensive medical coverage. No company has more experience with Health Savings Accounts than Golden Rule. Golden Rule pioneered the first HSAs, then known as Medical Savings Accounts, offered to the public in 1993. Effective January 1, 2004, tax-favored HSAs are available to all!

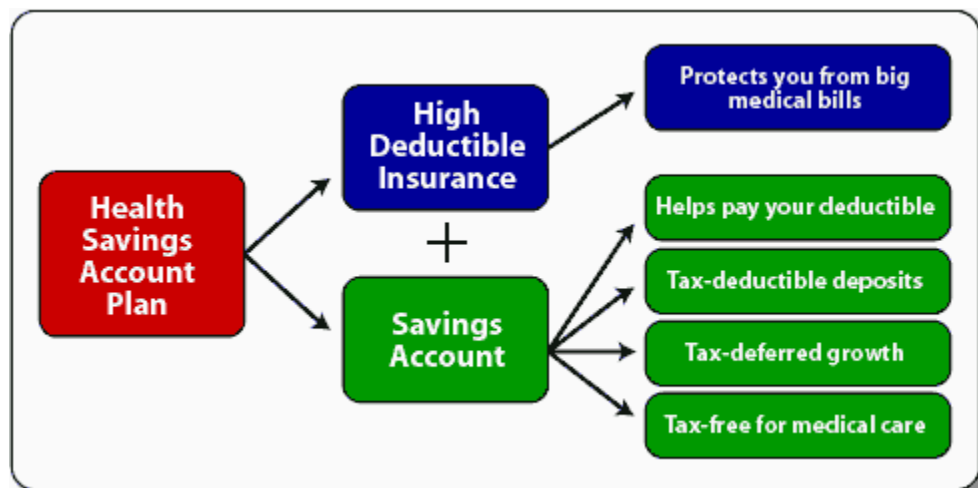
What's a Health Savings Account?

An HSA combines high deductible health insurance with a tax-favored savings account. Money in the savings account helps pay the deductible. Once the deductible is met, the insurance starts paying. Money left in the savings account earns interest and is yours to keep.

Why High Deductible Health Insurance?

To get the benefits of an HSA, the law requires that the savings account be combined with high deductible health insurance. High deductible health insurance costs less than traditional \$250 or \$500 deductible coverage, because the insurance company doesn't have to process and pay claims for routine, low-dollar medical care.

How Does a Health Savings Account Work?



You obtain coverage under a qualified health insurance plan with a minimum deductible of \$1,000 for singles and \$2,000 for families.

Each year you're allowed to save 100 percent of the health plan's annual deductible, up to \$2,600 for singles and \$5,150 for families in 2004. Older Americans can save even more!

You use the savings account to pay for your lower-dollar medical expenses, or those that aren't covered by the health plan. Once you meet the deductible, the health insurance covers your medical expenses as defined in the policy.

What are the benefits of a Health Savings Account?

Health Coverage Benefits

Medical

Simple:

100% coinsurance after the deductible is met (optional 80% coinsurance to lower premium).

Predictable:

One deductible per family.

Comprehensive:

Quality medical, including adult preventive care and prescription drugs.

Savings Account

First dollar:

Savings can be used to help pay the deductible and for noncovered medical expenses, such as dental and vision.

Security:

Savings reduce or eliminate annual out-of-pocket exposure.

Pool of money:

Savings not spent remain in the HSA tax-deferred.

Tax Benefits

Tax-deductible:

Contributions to the HSA are 100% deductible -- just like an IRA (see brochure insert for legal limit).

Tax-deferred:

Interest earnings accumulate tax-deferred, and if used for qualified medical expenses, are tax-free.

Tax-favored:

Withdrawals for covered medical expenses are never taxed.

More Health Savings Account Information

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