

High Deductible and HSA Qualified Plans

For individuals and families

HIGH DEDUCTIBLE PLANS



Health Insurance That Works

PreferredOne[®]
INSURANCE COMPANY

www.preferredone.com

Dear Prospective Members:

Thank you for your interest in the PreferredOne Insurance Company (PIC) Individual Plans. Information is provided for everything you need to apply for membership: Plan Options/Highlights, Rates and Premium Estimate Worksheet (enclosed), Payment Options, Website and Health Savings Account (HSA) information.

Plan Options

You may choose from the plans listed on page 3 – various deductible, coinsurance and out-of-pocket options.

Provider Network

You will have convenient access to the providers in the PreferredOne Open Access Network 300, with over 8,300 primary care physicians, 8,700 specialists and 279 hospitals. You may see any provider in the network and referrals are not required. You do not have to select a primary care clinic. Visit www.preferredone.com click Find a Provider and select Open Access Network 300 to search for providers.

If you choose to receive services from a non-participating provider, you will be responsible for the applicable deductibles and coinsurance, plus the difference between PIC's non-participating provider reimbursement amount (generally based on a fee schedule) and the non-participating provider's billed charges.

Pharmacy Access

For information about pharmacy locations, formulary drugs, mail service and other pharmacy services, go to www.preferredone.com, Register/Login, click View My Benefits and Pharmacy Information. You may also call PreferredOne Customer Service.

Health Savings Account (HSA)

Some plan options are intended to qualify as a high deductible health plan that may be paired with a Health Savings Account (HSA). See PLAN HIGHLIGHTS on page 3 for HSA qualified high deductible plans. Health Savings Accounts have two parts:

1. The first part is a health insurance policy (PIC individual plan option) that covers eligible medical expenses;
2. The second part is an HSA account, typically set up with a bank/trustee, from which you can withdraw money tax-free to pay for eligible medical expenses.

Please see page 4 of this brochure for more information on HSAs. Check with your tax advisor for guidance on your particular situation.

Chemical Dependency Rider Option

When you apply, you may select Chemical Dependency coverage for an additional cost. Coverage includes benefits for the diagnosis and treatment of chemical dependency related disorders, including inpatient and outpatient services.

www.preferredone.com

See page 5 for a summary of the information available at PreferredOne's website.



If you have any questions, please contact your PreferredOne agent, go to www.preferredone.com and click Individual Plan or call PreferredOne Customer Service at 763-847-4477 or toll free at 1-800-997-1750, Monday through Friday, 7 a.m. to 7 p.m. CST.

High Deductible Plan Highlights

The information below provides a summary of benefits and is not meant to be all-inclusive. The Individual Contract will include a complete description of benefits and exclusions.

	HSA Qualified Plan			Non HSA Plans	
	PIC-5300 Plan	PIC-5450 Plan	PIC-5510 Plan	PIC-5700 Plan	PIC-5515 Plan
Coinsurance Options	100% of eligible charges				
Deductible Options (combined for participating and non-participating providers per calendar year)	\$3,000 individual or \$6,000 family	\$4,500 individual or \$9,000 family	\$5,500 individual or \$11,000 family	\$7,000 individual or \$14,000 family	\$15,000 individual or \$25,000 family
Out-of-Pocket Limit (combined for participating and non-participating providers per calendar year)	\$3,000 individual or \$6,000 family	\$4,500 individual or \$9,000 family	\$5,500 individual or \$11,000 family	\$7,000 individual or \$14,000 family	\$15,000 individual or \$25,000 family
Maximum Annual Benefit Per Family Member (combined for participating and non-participating providers per calendar year)	\$3,000,000				
Lifetime Benefit Maximum Per Family Member (combined for participating and non-participating providers per calendar year)	Unlimited				
In-Network Coverage (provided by participating providers)					
Preventive Health Care Services, as defined by PIC and preventive services as required under the Patient Protection and Affordable Care Act and any amendments or rules issued with respect to the Act.	100% of eligible charges (no deductible)				
Office Visits - Sickness or injury	100% after deductible				
Hospital Services - Inpatient & Outpatient					
Urgent Care					
Emergency Room Services					
Emergency Ambulance Services					
Prescription Drugs — Formulary and non-formulary drugs: Up to a 31-day supply of prescription drugs, oral contraceptive or one type of insulin — Mail order drugs for up to 93-day supply					
Durable Medical Equipment					
Home Health					
Physical, Occupational and Speech Therapy					
Skilled Nursing Facility Care					
Maternity (labor and delivery subject to an 18-month exclusionary period for individuals 19 and older)					
Health Club Discount	Receive up to \$20 monthly credit towards your membership fees at participating health clubs. See details on page 4.				
Out-of-Network Services					
These plans cover out-of-network services from non-participating providers. For non-participating providers, in addition to any deductible and coinsurance, you pay all charges that exceed the PIC non-participating provider reimbursement value. Please refer to the Individual Contract for complete details.					
Coinsurance Options	100% after deductible				
Chemical Dependency Rider Option	Only applies if selected upon initial application				
In-Network Office Visits In-Network Outpatient Services In-Network Inpatient Services	100% after deductible				

Once you have enrolled with PreferredOne Insurance Company, you will receive a new member packet that will include your ID cards and Individual Contract. These plan options do not cover all health care expenses. A brief summary of excluded or limited benefits includes, but is not limited to: eyeglasses; contact lenses; hearing aids; cosmetic surgery; chiropractic services; mental nervous services and associated prescription drugs; weight loss surgery and associated prescription drugs; treatment, service or procedures which are experimental, investigative or are not medically necessary. Your Contract will explain your coverage terms and conditions in detail.

Staying Healthy & Well

At PreferredOne we believe that your health care needs are as individual as you are.

Staying physically active, eating healthy and managing stress are important elements in managing and maintaining your health. PreferredOne can assist you by offering health information and programs that will help you achieve and maintain your health goals. Once you are a member, PreferredOne offers the following at www.preferredone.com:



- **Health Club Discounts**

Up to \$20 monthly credit towards your membership fees at participating health clubs when you work out 12 times a month. Members with dependent coverage may add one covered dependent (must be 18 years or older) to qualify for a total monthly credit of up to \$40 per month.

- **Online Health Risk Assessment**

- **Tobacco Cessation Program – QUITPLAN®**

- **Online Interactive Lifestyle Improvement Programs**

- **Healthwise® Online Health Resources**

- **Member Discount Programs** - exercise equipment, weight loss programs, etc.

Health Savings Account (HSA) Information

PreferredOne offers several qualified high deductible plans that can be paired with a Health Savings Account (HSA). The plan highlights on page 3 identifies the eligible HSA qualified plans.

What is a Health Savings Account (HSA)?

A Health Savings Account (HSA) is a federal tax-exempt trust or custodial account that you set up with a bank of your choice to pay or reimburse certain medical expenses you incur. Note: PreferredOne Insurance Company is not a custodian or trustee of Health Savings Accounts (HSA).

What are the benefits of an HSA? Highlights include:

- You can claim a tax deduction for contributions made to your HSA.
- Contributions remain in your account from year to year until you use them.
- Your HSA is portable, so it stays with you.
- Interest earned in your HSA account is tax free.
- Your HSA distributions are tax free when you pay for qualified medical expenses.



For complete information and details regarding HSAs view the IRS document at www.irs.gov/pub/irs-pdf/p969.pdf.



As a PreferredOne member you have access to a comprehensive range of online tools and information to help simplify and manage your health care coverage, check medical cost information and improve your health.

• Save With PreferredOne's Medical Cost Tools

- Reprice existing claims with other PreferredOne providers
- View a cost comparison for frequently performed services by clinic
- Submit medical cost questions to a PreferredOne physician
- View cost comparisons for MRI, CT & PET/CT scans
- And more...

• Find a Healthcare Provider Close to Home or Work

Search for a doctor or clinic by name, specialty, city, or zip



• View My Health Account Statement

Create your own medical/dental/Rx claim history statement sorted by name and date.

• View My Benefits

Access your Certificate of Coverage/Summary Plan Description explaining your benefits in detail, pharmacy information and more.

• Sign Up for Online Explanation of Benefits (EOB) Notification, Change Password and Login ID



www.preferredone.com

PreferredOne High Deductible Plans for Individuals and Families
Monthly Rates (Rates effective 1.1.2012)



PreferredOne
 INSURANCE COMPANY

Rate Area 1 without Chemical Dependency Coverage						Rate Area 1 with Chemical Dependency Coverage					
Rate Area 1 includes all Minnesota counties except Big Stone, Blue Earth, Brown, Chippewa, Dodge, Douglas, Faribault, Fillmore, Freeborn, Goodhue, Houston, Kandiyohi, Lac Qui Parle, Lyon, Mower, Olmsted, Otter Tail, Pipestone, Pope, Redwood, Renville, Steele, Stevens, Swift, Traverse, Wabasha, Waseca, Winona.											
	HSA Qualified Plan			Non HSA Plans			HSA Qualified Plan			Non HSA Plans	
Plans	PIC-5300	PIC-5450	PIC-5510	PIC-5700	PIC-5515	Plans	PIC-5300	PIC-5450	PIC-5510	PIC-5700	PIC-5515
Coinsurance	100%					Coinsurance	100%				
Individual Deductible	\$3,000	\$4,500	\$5,500	\$7,000	\$15,000	Individual Deductible	\$3,000	\$4,500	\$5,500	\$7,000	\$15,000
Family Deductible	\$6,000	\$9,000	\$11,000	\$14,000	\$25,000	Family Deductible	\$6,000	\$9,000	\$11,000	\$14,000	\$25,000
Age Band						Age Band					
19-24	129.56	110.83	102.06	91.82	61.88	19-24	133.44	114.15	105.12	94.57	63.74
25-29	129.56	110.83	102.06	91.82	61.88	25-29	133.44	114.15	105.12	94.57	63.74
30-34	129.56	110.83	102.06	91.82	61.88	30-34	133.44	114.15	105.12	94.57	63.74
35-39	143.94	123.15	113.41	102.03	68.77	35-39	148.26	126.85	116.81	105.09	70.83
40-44	165.55	141.61	130.40	117.32	79.07	40-44	170.51	145.85	134.32	120.84	81.44
45-49	208.72	178.55	164.42	147.92	99.70	45-49	214.98	183.91	169.36	152.36	102.69
50-54	273.50	233.98	215.48	193.85	130.65	50-54	281.71	241.00	221.94	199.66	134.57
55-59	352.67	301.70	277.85	249.95	168.47	55-59	363.26	310.75	286.18	257.45	173.52
60-64	388.65	332.47	306.18	275.45	185.65	60-64	400.31	342.44	315.37	283.72	191.22
1 Child	108.77	93.05	85.69	77.10	51.95	1 Child	112.03	95.84	88.26	79.41	53.51
2 Children	217.53	186.11	171.38	154.20	103.91	2 Children	224.06	191.69	176.52	158.82	107.03
3+ Children	326.30	279.16	257.06	231.30	155.86	3+ Children	336.08	287.53	264.78	238.23	160.54
Rate Area 2 without Chemical Dependency Coverage						Rate Area 2 with Chemical Dependency Coverage					
Rate Area 2 includes the Minnesota counties of Big Stone, Brown, Chippewa, Douglas, Kandiyohi, Lac Qui Parle, Lyon, Otter Tail, Pipestone, Pope, Redwood, Renville, Stevens, Swift, Traverse.											
	HSA Qualified Plan			Non HSA Plans			HSA Qualified Plan			Non HSA Plans	
Plans	PIC-5300	PIC-5450	PIC-5510	PIC-5700	PIC-5515	Plans	PIC-5300	PIC-5450	PIC-5510	PIC-5700	PIC-5515
Coinsurance	100%					Coinsurance	100%				
Individual Deductible	\$3,000	\$4,500	\$5,500	\$7,000	\$15,000	Individual Deductible	\$3,000	\$4,500	\$5,500	\$7,000	\$15,000
Family Deductible	\$6,000	\$9,000	\$11,000	\$14,000	\$25,000	Family Deductible	\$6,000	\$9,000	\$11,000	\$14,000	\$25,000
Age Band						Age Band					
19-24	123.08	105.29	96.96	87.23	58.79	19-24	126.77	108.44	99.86	89.84	60.56
25-29	123.08	105.29	96.96	87.23	58.79	25-29	126.77	108.44	99.86	89.84	60.56
30-34	123.08	105.29	96.96	87.23	58.79	30-34	126.77	108.44	99.86	89.84	60.56
35-39	136.74	116.99	107.74	96.93	65.33	35-39	140.85	120.50	110.97	99.83	67.29
40-44	157.27	134.53	123.89	111.46	75.12	40-44	161.99	138.56	127.61	114.80	77.37
45-49	198.29	169.63	156.20	140.52	94.71	45-49	204.23	174.71	160.89	144.74	97.55
50-54	259.83	222.28	204.71	184.16	124.12	50-54	267.62	228.95	210.84	189.68	127.85
55-59	335.04	286.61	263.96	237.46	160.04	55-59	345.09	295.21	271.87	244.58	164.84
60-64	369.22	315.85	290.87	261.68	176.36	60-64	380.30	325.32	299.60	269.54	181.66
1 Child	103.33	88.40	81.41	73.25	49.36	1 Child	106.43	91.05	83.85	75.44	50.84
2 Children	206.66	176.81	162.81	146.49	98.72	2 Children	212.85	182.10	167.70	150.89	101.67
3+ Children	309.98	265.21	244.22	219.74	148.07	3+ Children	319.28	273.15	251.55	226.33	152.51

PreferredOne High Deductible Plans for Individuals and Families

Monthly Rates

Rate Area 3 without Chemical Dependency Coverage						Rate Area 3 with Chemical Dependency Coverage					
Rate Area 3 includes the Minnesota counties of Blue Earth, Dodge, Faribault, Fillmore, Freeborn, Goodhue, Houston, Mower, Olmsted, Steele, Wabasha, Waseca, Winona.											
	HSA Qualified Plan			Non HSA Plans			HSA Qualified Plan			Non HSA Plans	
Plans	PIC-5300	PIC-5450	PIC-5510	PIC-5700	PIC-5515	Plans	PIC-5300	PIC-5450	PIC-5510	PIC-5700	PIC-5515
Coinsurance	100%					Coinsurance	100%				
Individual Deductible	\$3,000	\$4,500	\$5,500	\$7,000	\$15,000	Individual Deductible	\$3,000	\$4,500	\$5,500	\$7,000	\$15,000
Family Deductible	\$6,000	\$9,000	\$11,000	\$14,000	\$25,000	Family Deductible	\$6,000	\$9,000	\$11,000	\$14,000	\$25,000
Age Band						Age Band					
19-24	139.92	119.69	110.23	99.16	66.83	19-24	144.11	123.29	113.53	102.14	68.84
25-29	139.92	119.69	110.23	99.16	66.83	25-29	144.11	123.29	113.53	102.14	68.84
30-34	139.92	119.69	110.23	99.16	66.83	30-34	144.11	123.29	113.53	102.14	68.84
35-39	155.45	133.01	122.48	110.19	74.27	35-39	160.12	137.00	126.16	113.50	76.50
40-44	178.79	152.93	140.84	126.71	85.40	40-44	184.16	157.52	145.07	130.51	87.96
45-49	225.41	192.84	177.58	159.75	107.67	45-49	232.18	198.62	182.90	164.54	110.90
50-54	295.38	252.70	232.71	209.36	141.11	50-54	304.25	260.28	239.69	215.63	145.34
55-59	380.89	325.83	300.08	269.95	181.94	55-59	392.32	335.61	309.08	278.05	187.40
60-64	419.75	359.06	330.68	297.49	200.50	60-64	432.34	369.84	340.60	306.41	206.52
1 Child	117.47	100.50	92.54	83.27	56.11	1 Child	120.99	103.51	95.32	85.76	57.80
2 Children	234.93	201.00	185.09	166.53	112.22	2 Children	241.98	207.02	190.64	171.53	115.59
3+ Children	352.40	301.50	277.63	249.80	168.32	3+ Children	362.97	310.52	285.95	257.29	173.39

Monthly Rates

The premium rates for PreferredOne Insurance Company (PIC) Individual Plans are determined by the age and health history of the individuals applying for coverage. Based on the applicant's health history, final rates may be up to 66.7% higher than the listed preferred rates.

Family Coverage

Family coverage consists of an eligible adult subscriber and spouse or an adult subscriber and one or more dependent children. To qualify for family coverage, dependent children must be 6 months of age through age 25. Premiums will be charged for a maximum of three children on a family contract. If one or more dependent child is max rated based on health history, max rates will be applied to all dependent children. Child only contracts are not available.

Rate Changes

Please note that rates will change when your age places you in a new age band (rates are listed in 5-year increments).

Note: Rates are subject to change.

Premium Estimate Worksheet

1. Select the plan/deductible option.
2. Determine the age of each applicant.
3. Fill in the premiums for each applicant below.
4. Add the premiums for the total.

Calculate your Premium:

Applicant Rate	\$ _____
Spouse Rate	\$ _____
1 Child	\$ _____
2 Children	\$ _____
3+ Children	\$ _____
Total Monthly Premium Estimate	\$ _____

Payment Options

- **Monthly Automatic Payment** – A worry free way to make your monthly payment and save on stamps and check. Debits occur on or near the 8th of each month.
- **Quarterly Billing** – A quarterly bill is mailed to you directly for payment by check. This option is only available with the first of the month effective date.