



# RESERVE FUND ANNUITY

POLICY FORM **USFMS**

## Reserve Fund Annuity

UA has developed a Reserve Fund Annuity (*policy form USFMS*), a flexible premium deferred annuity, to assist policyholders with accumulating funds needed to meet their health insurance calendar year deductible, copayment, out-of-pocket limits, (or Part B excess charges with Plans A, B, and D) amount(s). The Reserve Fund Annuity is available with ProCare Medicare Supplement Plans A, B, D, G, HDF, K, and L.

Consider these features:

- Issue ages 65-90 (65-86 in OK).
- No-load annuity - you keep the full amount you deposit. (*Less State Annuity Premium Tax in: CA, ME, NV, SD, WV, & WY*).
- No fees or penalty charges for withdrawal of funds.
- Interest rate is guaranteed to never be less than 3%.

You choose how to use your annuity. Use the annuity as a traditional savings vehicle. The RFA would be used to pay the following:

- Plan A - Medicare Part A hospital inpatient deductible, Medicare Part B annual deductible, and Medicare Part B excess charges
- Plan B & D - Medicare Part B deductible and Medicare Part B excess charges
- Plan G - Medicare Part B deductible

Or, use your annuity to automatically pay your calendar year deductible, copayment, or out-of-pocket (OOP) limits by authorizing United American to draft funds from the annuity.

- HDF - Calendar year deductible (\$2,180 in 2016)
- K - OOP Limit (\$4,960 in 2016)
- L - OOP Limit (\$2,480 in 2016)

This is a non-qualified annuity.

## How Does This Work?

You may elect to place funds into a Reserve Fund annuity to help pay for your calendar year deductible, copayment, or out-of-pocket limits.

Funds can be deposited in a lump sum and/or through monthly deposits (\$50 minimum) made with your insurance premium payments.

When United American receives a healthcare provider's claim and your calendar year deductible, copayment, or out-of-pocket limits amount has not been met, we will withdraw funds from your Reserve Fund, subject to the Restrictions noted on facing page, and directly pay your deductible or copayment amount to the healthcare provider to the extent such funds exist in the Reserve Fund.

If the account balance in the Reserve Fund is not sufficient to pay the full amount owed to the healthcare provider, you will be responsible for paying any remaining balance directly to the healthcare provider.

Once your calendar year deductible or copayment amount has been met, your insurance policy will begin paying all eligible benefits as outlined in the policy.

Each quarter you will receive a statement of your annuity account balance.

## Are There Restrictions?

Funds must have been on deposit in the annuity for 14 days prior to being applied to the calendar year deductible.

A minimum of ten dollars (\$10) must be maintained on deposit in the Reserve Fund.

There is a maximum initial deposit amount of two times the policyholder's anticipated deductibles, copayment amounts, or excess charges for Medicare-approved services, or \$4,360. \$5,000 is the maximum that may be deposited annually, and \$70,000 is the maximum over the life of the annuity.

If the available funds cannot fully pay the deductible or copayment amount to the provider, we will pay the amount available to the healthcare provider and any remaining deductible or copayment balance will be your responsibility.

There are no fees associated with the payment of deductible or copayment amounts or withdrawals from the accumulated annuity balance.

Any deposited funds not used and remaining at the end of the year can be left on deposit for the next year or withdrawn by you subject to the ten dollar (\$10) minimum.

Annuitants in CA, ME, NV, SD, WV, & WY are subject to a State Annuity Premium Tax.

Interest withdrawn on deposits will be reported on Form 1099 each year.

The maturity date of the annuity must not have passed.

## How Do I Enroll?

Simply complete the **USFMS-AP** enrollment form, including how you will deposit funds into the Reserve Fund. This form also provides your authorization to pay the calendar year deductible or copayment on your behalf.

A \$50 minimum initial deposit is required.

## The Company

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The **USFMS Reserve Fund Annuity** is offered by **United American Insurance Company**.

For more than 35 consecutive years, United American has earned the A+ (Superior) Financial Strength Rating from A.M. Best Company (as of 6/15). We are also rated AA- (Very Strong) for Financial Strength by Standard & Poor's (as of 10/15). The Company's high ratings reflect the financial strength of United American and its ability to maintain adequate reserves to meet all contingencies.

*The **USFMS Reserve Fund Annuity** issued by **United American Insurance Company** is not a product or deposit of, nor guaranteed by, any financial institution. It is not insured by the FDIC or any other federal agency, and may be subject to investment risks and possible loss of principal. Early withdrawals or surrenders may be subject to taxes and/or tax penalties and withdrawal charges. Please consult a tax advisor for further details.*

***This is a solicitation for insurance** and you will be contacted by an Agent representing United American Insurance Company.*



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