

TAKE CHARGE OF **YOUR HEALTH,**
YOUR SAVINGS AND YOUR FUTURE



Health Savings Account Enrollment Brochure



Would you like to have **more control over your health care dollars?**
Pay for current and future health expenses with **tax-free dollars?**
Save money for your **future health care costs?**

With a health savings account (HSA) from Wells Fargo and Blue Cross Blue Shield of Michigan's compatible high-deductible health plan (HDHP), you can do it all! Flexible, affordable and easy to use, an HSA is a tax-advantaged* trust account that empowers you to take charge of your health, your savings and your future.

THE WELLS FARGO DIFFERENCE

Wells Fargo is one of the largest, strongest and most highly recognized financial service companies in the nation, and a leading provider of HSAs. We serve more than 23 million customers with banking, insurance, investments, mortgage and consumer finance services. Wells Fargo Bank, N.A. has the highest possible credit rating, "Aaa," from Moody's Investors Service and the highest credit rating given to a U.S. bank, "AA+," from Standard & Poor's Ratings Services. Individuals and families throughout the country value Wells Fargo's experience, leading-edge technology and exceptional customer service to help them manage their health benefits with a health savings account.

* All tax references are at the federal level. State taxes vary. Please consult with your tax advisor.

YOUR WELLS FARGO HEALTH SAVINGS ACCOUNT

A WELLS FARGO HSA PUTS YOU IN CONTROL OF YOUR HEALTH CARE DOLLARS

Your HSA works in conjunction with Flexible Blue, a compatible high-deductible health plan. If you are enrolled in a Flexible Blue health care plan, you can contribute (up to certain limits) to your HSA.* Then, you can choose to pay for health care expenses from your HSA or save the money for future use.

An HSA also gives you the benefits of:

Ownership

Your HSA account is entirely owned by you, and your unused HSA account balance carries forward from year to year. Even if you move, change jobs or health plans, your entire account balance is yours to take with you wherever you go.

Convenience

From doctor visits to prescription drugs and eyeglasses, you can use the money in your HSA to pay for a variety of health care-related expenses. And with the debit card that comes with your Wells Fargo HSA, payment is easy and convenient. Wells Fargo also offers online account management and convenient toll-free customer service. So you can access your account information when, where and how you want it.

Tax savings

With a Wells Fargo HSA, your contributions, earnings and eligible withdrawals are all tax-free. As long as your withdrawals are used to pay for qualified health care expenses, you won't pay taxes on them.

Investment choice

Just like an IRA or 401(k), you can invest your contributions in your choice of high-quality Wells Fargo investment funds. You can choose from a variety of mutual fund investment options – from conservative to aggressive – to match your personal financial goals and investment style.

Long-term savings

The contributions and investment gains you make continue to grow and can be used tax-free for qualified health care expenses later in life, when your health care needs may be greater.

* For more information, see Frequently Asked Questions on page 4.



Ready to take charge and enroll in an HSA? See page 6 for easy enrollment instructions.

USING YOUR HSA

THE WELLS FARGO ADVANTAGE

Trusted Name

- Wells Fargo has been a provider of health care spending accounts since 1987, and was one of the first companies to offer HSAs when they became available in 2004.
- Wells Fargo is rated AA+ by Standard & Poor's, making Wells Fargo S&P's highest credit-rated bank in the United States (2006).

A Competitive Fee

- Unlike many HSA providers, there are no fees to set-up your account, process transactions or make investment changes.
- All you pay is a low monthly administrative fee.

Investment Access

- Complete access to six *Wells Fargo Advantage Funds*SM that are designed to accommodate a full range of investment objectives.

PAYING FOR HEALTH CARE EXPENSES IS EASY WITH THE WELLS FARGO HEALTH AND BENEFITS CARD

The Visa® debit card included with your HSA conveniently allows you to pay for health care expenses from the balance in your HSA.

- When you visit a health care provider, pick up a prescription, or need to pay for other health care expenses, you can simply present the card to an eligible provider that accepts the Visa debit card.*
- Money in your HSA can be used to pay for a variety of health care-related expenses ranging from routine physicals to prescription drugs. Your HSA money is tax-free as long as it is used to pay for medical expenses.
- With the swipe of the card, the payment is automatically deducted from your Health Savings Account.
- As long as you have the necessary funds in your account, there's no need to pay for health care expenses out of pocket, and no need to submit manual reimbursement requests.



* Provider acceptance and billing methods may vary.

FREQUENTLY ASKED QUESTIONS

Eligibility

Q. Who is eligible for an HSA?

A. To participate in a Wells Fargo HSA, you must be enrolled in a compatible high-deductible health plan (HDHP) like Flexible Blue. You cannot be covered by any other plan that is not an HDHP, with certain exceptions. There are three other requirements that you must meet in order to participate in an HSA. You **cannot**:

- be enrolled in Medicare;
- be a dependent on another person's tax return;
- have received VA medical benefits at any time over the past three months.

If you have specific questions about your eligibility for an HSA, call our HSA customer service professionals.

Q. Can my spouse and I both contribute to an HSA if we have the *same* insurance coverage?

A. Yes. If both you and your spouse individually meet the criteria for making an HSA contribution, you can both make HSA contributions. However, if both you and your spouse are covered by the same family coverage, you will need to allocate the HSA contribution limit between the two of you.

Q. Can my spouse and I both establish an HSA if we have *separate* insurance coverage?

A. If you and your spouse have separate insurance coverage, then each of you will need to calculate your own HSA contribution limit and open separate HSAs. Separate insurance coverage means that your insurance doesn't cover your spouse and your spouse's insurance doesn't cover you.

Using Your HSA Funds

Q. What are qualified health care expenses?

A. Qualified health care expenses include co-payments and deductibles at doctors, pharmacies, medical labs, dentists and orthodontists, medical supply stores, chiropractors, hospitals, vision centers, podiatrists and more. You can also use HSA funds tax-free for eyeglasses and contact lenses, mail order prescriptions, online prescriptions and eligible over-the-counter (OTC) medications and bills from providers for "Patient Balance Due" amounts. A link to a complete listing of IRS-allowable health care expenses is available on the Wells Fargo HSA Web site. Be sure to save your receipts. You will need to keep them with your tax records.

Q. Can I use the money in my HSA to pay medical insurance premiums?

A. Generally, you cannot use your HSA to pay premiums for health insurance coverage. Exceptions include COBRA premiums, long-term care premiums or premium payments that allow you to retain health coverage while you are receiving unemployment compensation.

Q. Do the qualified health care expenses have to be for myself?

A. No. Health care expenses can be for yourself, your spouse or your dependent children. Your spouse and dependents do not need to be covered by the same high-deductible health plan.

Q. Can I use funds from my HSA for non-medical expenses?

A. Yes. However, you will be required to pay income tax and a 10 percent tax penalty on the amount used for a non-medical expense (the 10 percent penalty does not apply if you are disabled or age 65 or older). It is up to you to keep the supporting receipts to show the Internal Revenue Service if you used the funds to pay qualified medical expenses.

Q. Can I eventually use HSA accumulated funds to pay for eldercare or a nursing home/retirement facility?

A. Yes, in fact, even before you reach that point, you can pay for long-term care insurance premiums with tax-free money from your HSA.

HSA Contributions

Q. How much can I contribute to an HSA?

A. Yearly maximum contribution levels are set by the federal government. For 2007, you can contribute money up to a maximum of \$2,850 for individual coverage or \$5,650 for family coverage. If you become newly eligible to contribute to an HSA during the year, you will be entitled to a full-year HSA contribution for that year (without incurring taxes or a penalty on the amount of the contribution), provided that you continue to remain eligible for a period beginning December 1 of the year in which you become eligible and ending on December 31 of the following year. For the most current HSA contribution information, please go to the U.S. Dept. of Treasury Web site at www.ustreas.gov/offices/public-affairs/hsa.

Q. How can contributions be credited to my HSA? How often?


A. You or others can make cash contributions at any time, up to the maximum limit. If others contribute to your account, you can still deduct the contributions. You may contribute to your account until the April 15 tax deadline following the year for which you want to make contributions. HSA contribution forms are available on our Web site.

Q. Do I lose contributions I don't use?

A. Unlike flexible spending accounts, HSAs do not have a "use it or lose it" requirement. Your account balance plus investment earnings carry over from year to year – tax free. State taxes may apply so please consult your tax advisor.

HEALTH SAVINGS ACCOUNT (HSA) INVESTMENT OPTIONS

Your Wells Fargo HSA can be a powerful tool for helping you save and invest for future health care expenses. You will be able to choose from the following mutual fund investment options – from conservative to aggressive – to match your personal financial goals and investment style.

RISK & RETURN CHARACTERISTICS	FUND	TICKER
<p>Most Conservative</p>  <p>Most Aggressive</p>	Wells Fargo Advantage Cash Investment Money Market Fund – Service Seeks preservation of principal and daily liquidity while generating current income by investing primarily in high quality, money market investments.	NWIXX
	Wells Fargo Advantage Conservative Allocation Fund – Admin. Seeks a combination of current income and capital appreciation by diversifying investments among bonds, other fixed-income investments and stocks.	NVCBX
	Wells Fargo Advantage Moderate Balanced Fund – Admin. Seeks to provide a combination of current income and capital appreciation by diversifying investment of its assets among stocks and bonds. The Fund is designed for investors seeking long-term capital appreciation within a balanced style fund.	NVMBX
	Wells Fargo Advantage Growth Balanced Fund – Admin. Seeks to provide a combination of current income and capital appreciation by diversifying investment of its assets among stocks and bonds.	NVGBX
	Wells Fargo Advantage Aggressive Allocation Fund – Admin. Seeks to provide capital appreciation, and a secondary emphasis on current income by diversifying investment of its assets among stocks and bonds.	NWBEX
	Wells Fargo Advantage Diversified Equity Fund – Admin. Seeks to provide long-term capital appreciation by diversifying its investments among different equity investment styles. The Fund utilizes different styles to reduce the risk of return volatility associated with a single investment style.	NVDEX

For more information on *Wells Fargo Advantage Funds*,SM visit www.wellsfargofunds.com/advantagefunds or call 1-800-222-8222*

UNDERSTANDING RISK

MONEY MARKET
 Money market, or “cash equivalent” funds can be quickly turned into cash without losing much, if any, of their principal value. Money market funds typically include certificates of deposit (CDs), money market funds, and U.S. Treasury Bills.



STOCK
 When you buy stock, you are buying a piece of ownership in a company. Historically, stocks have provided the highest return over the long term. However, they also tend to fluctuate in value more frequently than other types of investments.

FIXED INCOME
 Fixed income investments usually refer to bonds. When you buy a bond, you are lending money to a company or government entity. Bonds are also called fixed income investments because they are designed to pay the investor a set amount of interest over a specified period of time.

NOT FDIC INSURED • NO BANK GUARANTEE • MAY LOSE VALUE

* Representatives can assist with general information about *Wells Fargo Advantage Funds*, but are not able to provide advice about which funds you should invest in for your HSA. If you have questions about your HSA, please call the toll-free number listed on page six. Wells Fargo Funds Management, LLC, a wholly owned subsidiary of Wells Fargo & Company, provides investment advisory and administrative services for *Wells Fargo Advantage Funds*. Other affiliates of Wells Fargo & Company provide sub-advisory and other services for the Funds. The Funds are distributed by **Wells Fargo Funds Distributor, LLC**, Member NASD/SIPC, an affiliate of Wells Fargo & Company. An investment in a Wells Fargo money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Wells Fargo money market funds seek to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in a money market fund. For more information about *Wells Fargo Advantage Fund*, obtain a current prospectus by calling **800-222-8222** or visiting www.wellsfargo.com/advantagefunds. Consider the investment objectives, risks, charges and expenses of the investment carefully before investing. This and other information about *Wells Fargo Advantage Fund* can be found in a current prospectus. Please read the prospectus carefully before investing.

ENROLLMENT INSTRUCTIONS

READY TO TAKE CHARGE WITH AN HSA? ENROLL NOW!

Getting started is easy. To set up your new HSA, just follow the steps below:

- If you have not already done so, complete the necessary forms for your insurance provider to enroll in an HSA-eligible, high-deductible health plan (HDHP). You cannot open an HSA unless you are enrolled in a compatible high-deductible health plan.
- Complete and sign the *HSA Enrollment Form for Individual and Family Plans*. If this form has not been provided to you, forms are available to download at www.wfhbs.com/bcbsmichigan or by request through our service center at (866) 853-2698.
- Include a check for your initial account deposit (minimum \$100) payable to Wells Fargo Health Benefit Services.
- If you wish to have reimbursements for health care expenses deposited directly to your bank account, complete and sign the *Direct Deposit Form for HSA Reimbursements* and include a copy of a voided check.
- Mail the forms and your initial deposit directly to:

Wells Fargo Health Benefit Services
NW 5613
PO Box 1450
Minneapolis, MN 55485-5613

THAT'S IT!

Your Health Savings Account will soon be ready for you to use to begin taking charge of your health, your savings and your future.

Once your account is set up, you will receive a confirmation letter in the mail within seven to 10 business days. This letter will include your Personal Identification Number (PIN) for accessing your account activity on the HSA Web site, and instructions on making your investment elections. Your Health and Benefits Card and instructions will also be mailed within seven to 10 business days, and you will receive a separate mailing with a prospectus for each of the investment options you have chosen.

For more information on a Wells Fargo HSA, including online account resources and investment information, visit www.wfhbs.com/bcbsmichigan.

You can also call Wells Fargo's HSA customer service at (866) 853-2698.

For questions about your high-deductible health plan, please contact your health insurance provider.

ACCOUNT FEES

With Wells Fargo as your HSA trustee, there are no HSA set-up fees, no transaction fees and no investment change fees. All you pay is a nominal monthly administrative fee of \$3.75. This fee will be withdrawn from your HSA each month. Fees are not subject to taxes or penalties from the IRS. After your account balance reaches \$5,000, the monthly administrative fee will be waived.

Developing RELATIONSHIPS. Providing SOLUTIONS.®

Investment in any mutual fund is not insured or guaranteed by the U.S. Government, the FDIC, the Federal Reserve System or any other federal agency. Shares of a mutual fund are not obligations, deposits or guaranteed by Wells Fargo or its affiliates and are subject to investment risk, including possible loss of principal.

NOT FDIC INSURED • NO BANK GUARANTEE • MAY LOSE VALUE

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