

Life: Everyone Benefits

At UA, we have always had the goal to do what is best for the Agent, the customer, and the Company. Here are twelve reasons why everyone benefits from UA's Life products...

Agents and Managers:

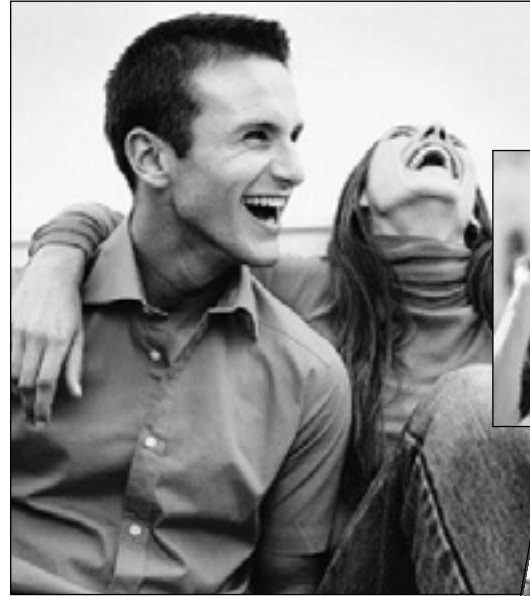
1. Higher advance commissions available
2. Solid block of business when serviced properly
3. Great supplement to any existing Life coverage, also augments your health sales
4. Great referral base

Customer:

5. More choices in benefits and payment options
6. Personal Agent service for the life of the policy
7. Permanent or Term insurance tailored to fit any family's needs
8. Financial stability - UA will always be there

Company:

9. Increased Life market share
10. Better persistency
11. Satisfied customers
12. More sales!



Life after Sept. 11

Almost overnight, Life insurance has once again jumped to the forefront of Americans' priorities. Interest in additional Life coverage remains very high, especially in the Senior Final Expense market. Here is a snapshot of the Life industry, post Sept. 11:

- *Quotesmith.com* reported a 32 percent increase in average term life inquiries per day from September to October 2001.
- According to a survey by *LIMRA International*, in the third quarter of 2001, fixed product sales were very strong with Whole Life up eight percent and Universal Life new business up 22 percent. These trends are expected to continue into 2002.
- The *Medical Information Bureau (MIB)* Life index highlights industry trends in application and underwriting activity and represents over

95 percent of all premium dollars for individual Life written in the United States and Canada. For October 2001, the index showed an almost nine percent increase in activity from October 2000.

- Also according to the *MIB*, application activity for the six months of June to November saw a three percent increase in underwriting from 2000 to 2001 among U.S. companies. In the smaller Canadian market, the same comparison resulted in an eight percent increase.
- *Standard and Poor's* upgraded its outlook on the U.S. Life insurance industry for 2002 in December.
- *AccuQuote* reported that the average death benefit per policy customers have applied for has jumped to \$460,000, a 20 percent increase from the 52 week average of \$383,000 prior to 9/11.

"What 9/11 did was it reminded all of us in a dramatic and compelling way how precious life is and how unexpectedly it can end, and are my loved ones going to be adequately taken care of if something happens to me," said Herb Perone, spokesman for the American Council of Life Insurers in Washington.

United American's Portfolio of

*Life Products**

RT-85 — 10-Year Renewable Term

This policy is Term insurance which is **guaranteed renewable for life** as long as the premiums are paid on time. The RT-85 offers immediate coverage with policy issue, an Optional Living Benefit, and a Graded Death Benefit (where state approved). **Issue ages are 18-85. Premiums are moderately adjusted once every ten years and remain fixed for the entire ten year period.**

400 Series Level or Increasing Whole Life

The 400 Series is Whole Life coverage, **issue ages 45-80**, paid directly to the beneficiary at 100 percent from the date of issue. **The Increasing Benefit grows annually for 20 years until it doubles.** The plan offers a Living Benefit and premium options of 10-Pay, 15-Pay, 20-Pay, or Ordinary Life. **There are no premium increases ever.** A Graded Death Benefit is available on all pay options, where state approved.

21-Pay Plan

This is the perfect term insurance for the “child-rearing” years. An Optional Child Benefit Rider pays up to \$4,000 per child with the same premium **regardless of how many children are covered.** An Optional Accidental Death Benefit Rider pays up to three times the policy face amount, in addition to other benefits. Eligibility for the 21-Pay Plan is determined by simple health questions, and the **issue ages are 0-79.**

Plan 511

The Plan 511 provides flexible Whole Life protection for **clients age 0-49.** Younger clients will appreciate this product's **guaranteed premiums and cash values.** The policy is sold in increments of \$5,000 and pays a **double indemnity for an accidental death.** Eligibility for this plan is determined by “Yes/No” health questions.

400 Series Joint Last Survivor

Whole Life coverage available for couples **ages 45-80. The beneficiary receives the policy benefit upon the death of the second spouse.** The plan offers an **Increasing Benefit which increases at five percent every year for 20 years until doubling.** There are **no premium increases ever**, and four payment options are available.

Lifestyle Annuity

This is a **single premium tax-deferred** investment tool with **issue ages of 0-80.** Customers may choose a purchase amount from \$5,000 up to \$100,000 with an annual interest rate guaranteed never to fall below four percent.

Flexible Premium Annuity

The Flexible Premium Annuity - FPA8- is an investment vehicle which **helps clients defer taxes on their interest income and avoid the costs of probate.** The principle is **100 percent guaranteed** and earns a competitive yield. **Issue ages are 0-90.**

*Log onto www.uabbranch.com/services for a current availability chart. Plans and benefits may vary by state.

www.uabbranch.com

Basic Types of *Life Policies*

Permanent Insurance:

Permanent Life insurance is long-term financial protection. As long as the premiums are paid, the beneficiary will receive the death benefit. Permanent Life also builds cash value.

There are four different types of Permanent Life policies:

- [Whole or Ordinary Life](#)
is the most common type of permanent insurance. The premiums and death benefit generally remain constant over the life of the policy.
- [Universal or Adjustable Life](#)
offers flexibility in both premium payments and death benefits, which can be adjusted within certain limits to fit a policyholder's financial situation.
- [Variable Life](#)
policies have a value tied to the performance of financial markets. The death benefit and cash value vary with a portfolio of investments, which is chosen by the policyholder. Some policies guarantee that the benefit does not fall below a minimum level.
- [Variable-Universal Life](#)
policies combine features of both variable and universal products. These plans have the investment risks and rewards of variable insurance, coupled with the ability to adjust premiums and benefits as in universal policies.

Traditional Term Insurance:

The other basic type of Life insurance is Term. Term insurance offers financial protection for a specific period of time. Term insurance helps cover needs that will disappear over time, such as a mortgage or college expenses. It is usually recommended for families that need a large amount of protection and are on a limited budget, since term premiums are typically lower than other types of life insurance.