



Andrew W. King

President,
Branch Office Marketing Division

Celebrating Seniors... Celebrating the Medicare Market... Celebrating Positive Changes!

Has there ever been a better time to be a United American Agent working with Seniors or Baby Boomers? Based on recent legislative activity, I think not. After months of news broadcasts and magazine and newspaper articles dissecting the political controversy surrounding Medicare legislation, the wait is over! We have a Medicare reform package in place, and more changes are coming! According to Tom DeLay, House Majority Leader, "The long term capability of the Medicare program, the future of America's healthcare system and the seeds of fiscal security for a century are all right here."

The results of a recent, national Harris poll conducted among 2,500 adults a few days before the bill became law indicated that 42 percent polled did not know enough about the bill to have either a positive or negative opinion. Even with all the information that has been disseminated since its passing, there are still many adults, both Seniors and underage, who are confused and uncertain about the law's provisions. Take advantage of their concerns; contact your Senior policyholders and use more Medicare Supplement lead programs immediately. Let them know you're available to answer their questions and alleviate their apprehension. Approaching customers will allay concerns and new prospects will appreciate a professional approach to information and new product offerings.

Medicare Supplement lead programs, especially those that speak to answering questions on these new provisions, will have much better response rates. Response rates are traditionally higher anyway at the beginning of any year with the normal deductible changes that occur annually, but Senior's concerns over the new law adds fuel to the response fire in a big way. You can become a vital Medicare resource for your prospects and customers. Since these provisions will be implemented over a period of years, United American is in a most advantageous position. We have adequate time and opportunity to educate ourselves and our Seniors about the bill and to direct them toward making appropriate health coverage choices.

The focus of this issue of *Vision* is Medicare, because we feel it's extremely important for you to be aware of and educated in the changes that are taking place within this massive, federally sponsored program (see pgs. 6-7). Signing into law the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 was only the first step in the process of Medicare reform. Another provision of the new law has designated several tasks to the National Association of Insurance Commissioners (NAIC) in

reference to reforming standardized supplemental policies. The NAIC has been directed to "consult with a working group composed of representatives of issuers of Medicare Supplement policies, consumer groups, Medicare beneficiaries, and other qualified individuals." United American is very proud to have been selected by the NAIC's Senior Issues Task Force to be an integral part of this statutory working group. Long before this reform package was signed into law, United American was working internally on the issue of standardized policy reform and has already made preliminary recommendations to the Task Force. Not only has UA's voice been heard, it will increasingly be heard in the future.

At United American, we have always had a commitment to our Seniors - to bring them the best possible supplemental health coverage with the best value. ProCare, our Med-Supp product line, allows us to fulfill that commitment. The present market for ProCare is unprecedented, and it is only going to expand as more and more Boomers turn the magic age of 65. Currently, 12.4 percent of the population consists of older Americans; the number of Seniors is expected to double in just over the next two decades. In a very important additional development, many companies that previously offered retiree health benefits have cut or plan to cut retiree benefits. According to a Kaiser Family Foundation report published by A.M. Best on January 21, 2004, nearly one-third of the largest U.S. employers already have or soon will cease subsidizing health benefits for future retirees. In addition, according to the survey 86% of employers still offering coverage said that they planned to increase retirees' contributions within the next three years. Drew Altman, president and chief executive officer of the Kaiser Family Foundation, said in a statement "Based on current trends, we can expect that fewer retirees will have health coverage in the future and those who do will be paying more for their health care."

As you can see, all of this represents tremendous potential for United American Agents and products! Medicare reform is alive and well and here to stay. To protect themselves, Seniors need our help in understanding all of these changes - before they become effective! Make the most of it. No companies have matched our reliable ways to generate responses in the Medicare market, but UA has provided funding to our Branches for marketing in an uninterrupted fashion for the last 10 years! Study this issue of *Vision*. As importantly, get your extra Medicare leads ordered today; this action will allow you to take extreme advantage of a superb marketing environment for UA.