

# Retirement...

# Watch Out!

## Baby Boomers

Retirement, considered by most with a sense of anticipation and excitement, has become a potential nightmare for many. Why? Substantially rising health insurance premiums, have forced many companies to cut back or eliminate retiree benefits to stay viable. A major east coast technology company, for example, has 24,000 active U. S. workers and 240,000 retirees and dependents. Its healthcare costs have risen 85% over the past six years. It now pays \$850 million a year in retiree healthcare - a whopping 10% of its annual revenue. A large northeast steel company, which was recently sold, had 11,000 active employees and 97,000 retirees and dependents. Before its acquisition, its healthcare costs reached \$3 billion!

The average monthly premium for a pre-65 retiree and spouse is \$845. Surveys show that companies, which still offer retiree health benefits, subsidize approximately 60% of the premium. Retirees pay the non-subsidized amount themselves, which

may amount to several hundred dollars per month. Should the retiree lose the 60% employer subsidy, he or she will be responsible for the entire cost, which will amount to several hundred dollars more out-of-pocket each month. It is not unusual for the monthly cost of health insurance to exceed the retiree's monthly pension payment.

With so many companies downsizing by offering early retirement, the population of Pre-65 retirees has expanded dramatically in recent years. This is the age group hardest hit by these changes and trends. Because they're not yet Medicare eligible, they look to employers as their sole source of coverage. In addition, many companies which still provide some coverage for current retirees, will not provide any coverage for future retirees.

Retirees have a greatly increased need to save for the future if they're to partially or completely cover their own healthcare

costs. UA's annuity and life products can help satisfy that need. Early retirees, in particular, who are caught between active employee status and Medicare eligibility, are outstanding prospects for our supplemental health products. We may not provide them with the major medical product they've lost, but we can provide affordable coverage to protect them against a multitude of health concerns. As employer health options are cut back for those 65 Plus retirees, these Seniors may need to look in a totally different direction to satisfy their health insurance needs. Our ProCare product line is ready to step in and fill the gaps left by Medicare! Our Senior community faces difficult problems in the coming years, but United American has the solutions!

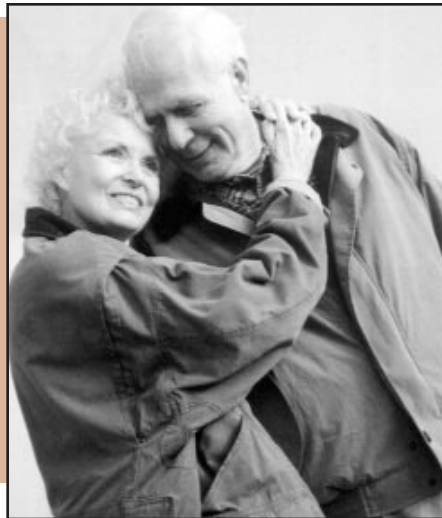
(Sources: New York Times, February 3, 2004, "Companies Limit Health Coverage of Many Retirees," Milt Freudenheim; The Morning Call, October 12, 2003, "Retirees Fear Cuts, Loss of Healthcare," Dan Shope.)

## What does this mean for United American? Opportunity!!

See what UA products apply to either the pre-65 retiree, the 65-plus retiree or both!

UA Products	Issue Ages	Pre 65 Retiree	65 Plus Retiree
<b>Supplemental Health:</b> GSP; UA 250; Common Sense Plan; HSXC; SHXC; HMXC; SSXC; MMXC	0-63 (except MMXC for all ages)	✓ ✓	✓ ✓
<b>HealthGuard</b>	18-64		
<b>Cancer:</b> CANB	0-69	✓	✓
<b>LTC:</b> LTC Classic, LTC Gold	40-84	✓	✓
<b>Life:</b> RT 85; 400 Series; Modified 30, 40, 50; 21 Pay Plan; Plan 511	Issue Ages Differ for Different Plans; consult individual plans	✓	✓
<b>Annuities:</b> Flexible Premium Annuity; Life Style Annuity	0-90 0-80	✓ ✓	✓ ✓
<b>Medicare Supplements:</b> ProCare, Plans A, B, C, D, F & G	65 and up	✓	✓
<b>UA Partners®</b>	65 and up	✓	✓

# Announcing **BIG SAVINGS** for **UA & Med-Supp** Policyholders Our Part A Deductible Waiver Has Arrived!!!



United American has received an opinion from the Office of Inspector General of the U.S. Department of Health and Human Services, regarding our intended use of a preferred hospital network as part of our Medicare Supplement health insurance policy. We are currently the only Medicare Supplement provider in the country to receive such an opinion regarding the waiver of the Medicare Part A Deductible.

United American operates on the premise that policyholders deserve quality and value, and when they buy UA, they get both. Keeping policyholder premium costs down adds to United American's integrity and viability in the marketplace and goes a long way toward keeping our Seniors satisfied. We are thrilled to announce a new cost-savings program for our Medicare Supplement policyholders: The Part A Deductible Waiver.\*

## How Does It Work through UA?:

United American contracts with preferred hospital networks to include our Med-Supp policyholders in the network. Each time our qualified policyholder is hospitalized in a network hospital during a Benefit Period, the hospital waives all or part of the insured current Part A deductible of \$876. United American saves by not having to pay the deductible to the provider, and we're able to pass along a portion of that savings to the policyholder.

## How Does It Benefit Policyholders?

It means continued freedom to choose the doctors and providers they want and a bonus of policyholder savings! They can continue to see the doctors and providers of their choice and United American will pay all eligible expenses due under the terms of their policy. We don't require them to utilize a network facility. However, if they choose to use a participating hospital provider and incur a Part A deductible, they will participate in the savings.

After being discharged from the hospital, the insured will receive a **\$100 credit from United American, which they can put toward their next premium payment!** The policyholder doesn't have to contact UA either before or after the hospitalization. There are no forms for the Agent or the insured to complete. UA automatically determines program eligibility at claim time.

## IMPORTANT NOTE

We'll begin testing the promotion of the program in the following states for new business only: Florida, Georgia, Illinois, Indiana, Mississippi, Oklahoma, and South Carolina.

Branches in these states can access the provider network lookup on UAOnline. Under applications, there is a "Part A Waiver Program" link. To locate the hospitals which are participating in the program, key in the state and the list of network hospitals will appear.

A new advertising brochure (UAADW) announcing the program is available for you to use with your new customers in the test states only. As hospitals are added to the network and the advertising brochure is approved in additional states, the program will be expanded.

\*This program does not apply to ProCare Plan A policyholders, since the Part A deductible is not a covered expense on the core plan.

## SENIORS...Don't You Just Love Them!

Absolutely, if you're a dedicated UA Unit Manager or Agent. You love working with Seniors, and you love listening to them even more. To learn more about why listening is so important when selling to Seniors, and to find out why our Unit Managers and Agents are so successful working with them, we've asked some of our best to share their thoughts on the importance of listening. Maybe their ideas will help you.

**Janie Barrett, Unit Manager, Macon:** "In listening to Seniors, the one question I hear most often is 'Will this help on my prescriptions?' It gives me great pleasure to have a superior product to service their healthcare needs, a product (UA Partners®) that will help with their prescription needs. By listening to Seniors, I've learned that I need to assure them that with our products they will have peace of mind and the security of knowing that all of their healthcare needs and claims will be handled efficiently and promptly. Also, I tell them that if they have any questions, I'm always available to listen and help and, if by chance, I'm not there, our office staff will be glad to listen and help as well."

**Pennie Frazier-Parham, Little Rock:** "It's extremely important to listen to Seniors and all our prospects. By listening, we build rapport and a sense of trust; people buy from people they trust. If we're good listeners, they will tell us what they need, and we'll be able to provide them with a plan that is specifically designed to satisfy their needs."

**Keith Jones, Savannah:** "New Agents sometimes focus so much on the sale, they forget to listen to what their Senior client has to say. Often Seniors will tell you their needs without you even asking, whether they be about Medicare changes, prescription coverage, or freedom to choose providers. But you have to get their attention as soon as you walk in their door to listen for those needs. Listen for the Senior's 'hot spot,' the particular need or needs that really matter to them and use that knowledge to both your advantage and theirs. Don't overwhelm them with your entire product line; it can be too much for them to take in. By carefully listening, you can determine the particular areas you need to address. In addition, listening can't be one-sided; it has to be active for both the Agent and the prospect. They need to listen to you as much as you need to listen to them."

**Robert Purtell, Unit Manager, Orlando:** "You need to listen to find out what's important to them, to find out what their needs are, if their needs are being met, and to fill the void when possible. With UA products in hand, I personally have not met a Senior I couldn't help. With ProCare and UA Partners®, we're able to fill the gap where Medicare leaves off. When working with Seniors, I treat clients as if they were my own grandparents and I tell them so. We all know everyone listens to their grandparents!"

**Leslie Sussman, Atlanta:** "I strongly believe in relationship sales. It's really important to get to know Seniors to establish a relationship and build rapport. You must listen to find out what is going on in their lives and to find out what their needs are. You also have to listen to find out what they don't know. Many Seniors are lacking in knowledge in areas related to their insurance needs. They may not have been properly educated in the past by other company's representatives. It's our job to expand their knowledge."

**Brian Verch, Cleveland:** "It's important to listen because the two questions I hear most from Seniors are 'How much does it cost?' and 'What does it cover?' I want to know if I need to address those issues up front. By listening to Seniors, I've learned that it's important to keep my presentations simple. I like working with Seniors; they're a very cordial group."

**Justin White, Houston North:** "When you really listen to Seniors, you can match them with the best products and with what they really need. That's how you earn their trust and gain their loyalty. That's really what it's all about...persistence and retention on both sides."



# Selling to Seniors? It's Easy... Just Listen

Seniors are making news! Medicare reform, retiree cutbacks, business downsizing, and company scandals make it a tough time to be a Senior! Yet, these troubled times provide a challenging opportunity to direct your time and talents more confidently to the Senior market.

Roger Sierens, a Senior marketing expert, is a very successful Senior Agent who each year sells millions in annuities, long term care and life products. Sierens knows successful insurance sales is all about relationships, and relationships grow out of trust. "When making this initial phone call to set the appointment," says Sierens, "I show a personal interest, and, most importantly, I listen."

This is the beginning of building a relationship. Listening is one of the greatest arts that has been lost in our society today."

It seems simple, yet how often are we so busy thinking about the next statement we're going to make, that we don't listen to what the other person is trying to tell us? Take off your sales hat for a few minutes and just listen to your prospect. It will lay a solid foundation for a long-term relationship. It's a simple approach, and it works!

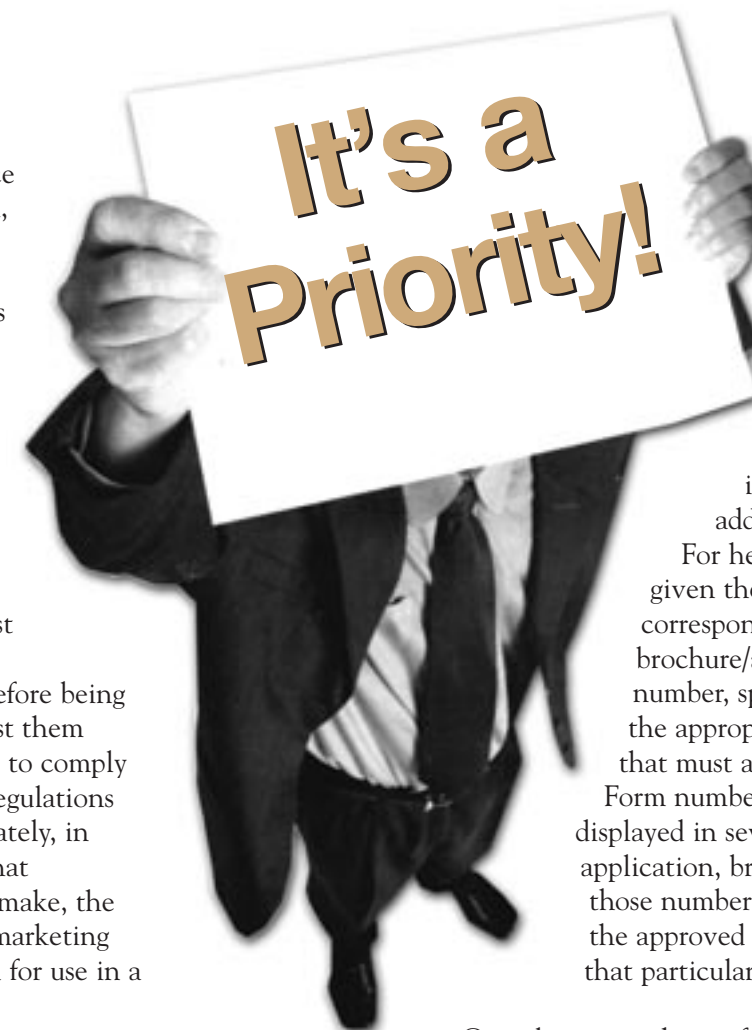
(Source: *Senior Market Advisor*, October 2003; "From Attendee to Client" by Roger Sierens)

## What are the Basics of Good Listening?

- Be committed; have the desire to listen to your customer.
- Maintain eye contact with your customer.
- Honor silence. Don't feel you have to fill up pauses with the sound of your own voice.
- Don't interrupt when your customer is speaking.
- Respond verbally and non-verbally. Smile, nod, shake your head. Be aware of how body language translates for both you and your prospect.
- Eliminate distractions. Don't try to ask questions or elicit responses with a television blaring across the room.
- Empathize with your customer and put yourself in his/her place.
- Adjust your listening style to your customer's communication style. If they speak slowly, you should speak slowly.
- Withhold judgement. Be completely open-minded and receptive.

Source: American Management Association: Self-Test: Are You a Good Listener?; Michael Kelly, Kelly Speech Communication, "Speak & Listen for New Results."

# COMPLIANCE



The American Heritage Dictionary defines compliance as, "A complying with a wish, request or demand. A disposition or tendency to yield to others." When states request or demand, UA yields. In the arena of insurance regulation, compliance is gospel!

Because insurance is a state-regulated industry, all policies, applications, forms, and marketing materials must be reviewed and approved by individual state authorities before being released to Agents. We adjust them where and whenever possible to comply with each individual state's regulations and requirements. Unfortunately, in some instances, no matter what adjustments and changes we make, the policy, application, form, or marketing piece never receives approval for use in a particular state or states.

Why is compliance so important? Fines may be administered by state insurance commissions to a carrier whose Agent uses non-approved materials. In addition, if you use an incorrect form or application or don't provide your customer with all the state-required forms for a particular transaction, it will hold up the processing of that application. Non-compliance delays policy issue and delays commission checks! It's definitely to your benefit to be knowledgeable about compliance and to use all the correct and appropriate forms and applications for each sale.

Don't worry, United American makes it easy. We continuously update compliance information on a state by state basis and make it available to Managers and Unit Managers to review via UAOnline. Go to Departments; click on Compliance; pull up life and health product information by state.

For life materials, you'll find the marketing name for each form, the corresponding policy name and numbers, the corresponding brochure/application name and number, and specific instructions on additional forms that apply.

For health materials, you'll be given the policy name, corresponding brochure/application name and number, special instructions, and the appropriate Med-Supp notice that must accompany the forms.

Form numbers are prominently displayed in several locations on each application, brochure or form. Be sure those numbers totally correspond to the approved or required form(s) for that particular state.

Compliance product information, along with all additional required forms, is also sent with Branch supply orders. If you sell in more than one state, it's imperative you check compliance information regularly. An application that is approved for use in one state may not be approved for use in another! Compliance changes frequently, so check the site often and pay close attention to the information sent with supplies. Managers and Unit Managers should remind Agents on a regular basis about the importance of compliance and, where appropriate, print and distribute updated information to them.

Using the correct forms initially will save time and effort for Managers, Unit Manager, Agents and Home Office staff, and will allow policies and commission checks to be issued more quickly. Make compliance your priority!

# Introducing The Online

# UA Ad Catalog

## How's Your Image?



Does your advertising say the right things about you and United American?

Are you projecting an image that presents you as a knowledgeable professional who is offering the best insurance products on the market today? Are you taking advantage of the print ads we have available to enhance that image?

You've been asking for it, and we're ready to deliver! A new print advertising website is now available to Branch Managers as part of the existing [www.UABranch.com/services](http://www.UABranch.com/services). The site offers a catalog of all our pre-approved print ads available for Agent use. You can browse through the catalog, find the ad or ads that are just right for you, and drop them into your shopping cart. We're putting your ad campaign literally at your fingertips, so that achieving that "just right" image is easier than ever.

### We make it simple.



The UA Ad Catalog clearly illustrates each ad and provides essential information regarding modification of the ad prior to use. Listed next to each ad illustration is the state(s) in which the ad is **not approved** and **can not** be used. Select your ads based upon your needs and state approval; place them in your shopping cart; check out. Literally, easy as 1,2,3!

Once you finish browsing, the contents of your shopping cart are sent via e-mail to Agency Services in the Home Office for license verification and fulfillment. You receive your order either by postal mail or by e-mail; just indicate which shipping method prior to check out.

If you prefer to write, design or illustrate your own ad, the UA Ad Catalog conveniently includes complete and recently updated information in our Advertising Guidelines. If you don't find a pre-approved ad that exactly projects the concept, image or idea you want, create your own ad and have it approved by following our "8 Simple Steps." The steps are carefully outlined so

there is no confusion about the process or timeframe involved in obtaining ad approval. If you've been hesitant to sell certain types of coverages, the UA Ad Catalog can help! For instance, if you've never sold Hospital/Surgical insurance, simply place a pre-approved Hospital/Surgical ad (AG479R) in your local newspaper. You may generate an entirely new customer base to explore and develop, and, in the process, become more knowledgeable about UA's product lines.

If you've never used an online catalog, don't worry. UA's Ad Catalog is easy to access and simple to navigate. It takes the guesswork out of promoting yourself and United American. Once the site has been up and running for a while, we'd like your feedback. If you have an idea about how to improve the catalog, let us know. If there is something else you would like to see, tell us about it. This new website addition is for you - to make your advertising and selling campaigns easier and more consistent. If we're all on the same page, it promotes a better image of you and United American!