

# Introducing HealthGuard:

## UA's Critical Illness Plan

A critical illness can strike anyone at anytime. In the event that the unthinkable occurs, your clients need to focus on recovery and rest assured that their families will survive financially. Life insurance protects them in case of the worst. Disability insurance provides a partial replacement of monthly income. But, what pays for costs not covered by other insurance, such as deductibles, co-pays, lost income, travel, and treatments out-of-network? The answer is Critical Illness insurance.



## No One Is Immune

As an Agent, you are most likely aware that people are living longer. It isn't that instances of critical illnesses are less likely — it's that survival is more likely. As Timothy Nicholson stated in the May 20, 2002 issue of *National Underwriter*, "It's a fact that more people survive a critical illness than die immediately from the illness. In the last 20 years, deaths due to the 'big three' (cancer, heart attack, and stroke) have gone down significantly. But disabilities due to those same three are up dramatically! Things that used to kill, now disable." See chart below.

Condition	Death	Disability
Hypertension	-73%	+70%
Heart Diseases	-29%	+36%
Diabetes	-32%	+55%
<b>All Four</b>	<b>-32%</b>	<b>+55%</b>

Source: National Center for Health Statistics, 1999

## The Cost of Survival

Often, the road to recovery is not only long, but also expensive. There are two kinds of costs associated with critical illness: direct and indirect. Direct costs are the actual healthcare expenditures, such as physicians' fees, hospital bills, medications, and medical durables. Any additional expenses are considered indirect and can include on-going household expenses, new or experimental treatments, loss of income, out-of-network fees, and travel.

It is often the indirect costs of illness that most impact a family's finances. As *The Journal of the American Medical Association* recently reported, "Many critical illness patients required considerable caregiving assistance from their immediate family members. In far too many cases, a family member had to quit work...to provide care for the patient. Over 30 percent of families surveyed reported a loss of most or all of the family savings — while others reported a major loss of household income."

## Estimated Direct and Indirect Costs (in billions) for 2002

	Heart Disease	Coronary Heart Disease	Stroke	Hypertensive Disease	Congestive Heart Failure	Total Cardiovascular Disease
<b>Direct Costs</b>						
Hospital Nursing Home	\$81.0	\$41.8	\$24.5	\$8.6	\$15.4	\$126.1
<b>Total Expenditures</b>	<b>\$115.0</b>	<b>\$58.2</b>	<b>\$30.8</b>	<b>\$34.4</b>	<b>\$21.4</b>	<b>\$199.5</b>
<b>Indirect Costs</b>						
Lost Productivity/Morbidity	\$19.0	\$8.4	\$5.6	\$6.7	NA	\$30.9
<b>Grand Totals</b>	<b>\$134.0</b>	<b>\$66.6</b>	<b>\$36.4</b>	<b>\$41.1</b>	<b>\$21.4</b>	<b>\$230.4</b>

Source: 2002 Heart and Stroke Statistical Update, American Heart Association

# UA's Answer

While **HealthGuard** cannot prevent a critical illness, it can go a long way towards easing the stress associated with treatment and recovery. **HealthGuard** puts a family's focus where it should be — away from finances and on recovery.

United American's **HealthGuard** plan is critical illness protection which pays a lump sum benefit directly to the policyholder upon first diagnosis of a covered illness. Covered illnesses include:

**\*Major Organ Transplant**

Surgery to transplant a heart, lung, liver, kidney, pancreas, or bone marrow

**\*Heart Attack**

Cardiac arrest caused by acute myocardial infarction

**\*Total Loss of Eyesight**

Total and permanent loss of eyesight in both eyes

**\*Stroke**

Caused by hemorrhage, embolism, thrombosis, or infarction of brain tissue producing a measurable neurological brain deficit

**\*Total Loss of Hearing**

Total and permanent loss of hearing in both ears

**\*End Stage Renal Failure**

Chronic failure of both kidneys, requiring kidney transplant and weekly dialysis

Benefits are available in \$10,000 increments, ranging from \$10,000 to \$50,000. Benefit amounts reduce by 50 percent at age 65. As always, **HealthGuard** will include these UA advantages:

**Guaranteed Renewable**

The policy cannot be canceled as long as premiums are paid on time.

**Portability**

As customers are purchasing an individual policy, the coverage goes wherever they do.

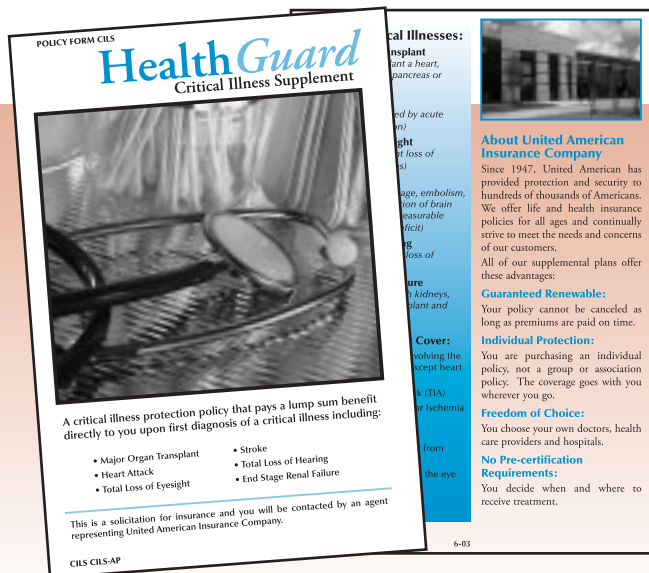
**Freedom of Choice**

Clients choose their own doctors, healthcare providers, and hospitals.

**No Pre-certification Requirements**

Customers decide when and where to receive treatment.

You have worked hard to ensure the very best protection for your customers. Add **HealthGuard** to your portfolio today and make an investment in their future — and yours! A special introductory product mailing will be sent to Branches where state approved. Agents may begin sale of **HealthGuard** on July 1, 2003.



# HealthGuard

Available in states marked with an "X" on July 1, 2003.

AL	X	GA		MD		NM	X	TN	X
AK	X	HI		MI	X	NC		TX	X
AR	X	ID	X	MN		ND	X	UT	X
AZ		IL	X	MS	X	OH	X	VA	
CA		IN		MO	X	OK	X	VT	
CO		IA	X	MT		OR		WA	
CT		KS		NE	X	PA		WI	
DE		KY		NV	X	RI		WV	X
DC	X	LA	X	NH		SC		WY	X
FL		ME	X	NJ		SD			