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**“There are two times  
in a man’s life when  
he should not  
speculate; when he  
can’t afford it and  
when he can.”**

**Mark Twain**

## Forward Thinking

### United American’s Careful Analysis Creates a Unique Opportunity in the Marketplace

Rarely have I been so **excited about the future of United American’s future**. Just when I thought that our environment couldn’t possibly get any better – it did! As proof, I recently e-mailed the Branch Managers links on the World Wide Web for literally dozens of articles related to reasons why so many companies continue to withdraw senior healthcare plans from the market, canceling what is predicted to be hundreds of thousands of senior beneficiaries. For us, the names change, but the stories remain the same. Marketing groups simply can’t offer something for nothing very long, especially in today’s fast-moving environment. I sincerely empathize with the families of these senior citizens and their Agents who chose price over quality and will have their lives impacted so negatively. Fortunately for those seniors and their Agents, **we can help them** ... as we have many others. What a country!

Sooner or later, the **price is paid for the sacrifice of VALUE**. The reasons for choosing quality over price are there for anyone to see. Our own mortality is self-evident. Everyone knows that the older we get, the more likely we are to have illnesses and accidents, thus incurring more claims. A misguided belief that price is more important than the quality of the health coverage has a very high cost. As seniors get older, their accumulated wealth and leisure time for retirement will mean nothing if their precious health is sacrificed. Inexplicably, a few seniors sometimes lose proper perspective by entering a relationship with fiscally irresponsible insurance companies or restrictive HMOs. Sometimes seniors need an Agent’s help to remind them of the importance of value. Unfortunately for these seniors, some Agents concern themselves only with price.

They know – and you do, too -- that **"cheap" seldom ever equates to value**. "If it’s too good to be true, it probably is." Unfortunately, many people have learned this the hard way. As evidence of this, many of the HMOs and other insurance companies that have left the senior market have taught seniors the devastating lesson of what is the true price of cheap policies. Sadly, tens of thousands of seniors and Agents are again about to be disgorged from cheap companies. These companies were not courageous enough to realize that they should charge correctly. Instead, they will just send a letter to these unfortunate souls essentially saying, "we can’t make money on seniors because we don’t charge enough, so ‘good-bye.’" For us, this

Please see KING, Page 4

# King: Careful Analysis Keeps UA on Top

*Continued from Page 3*

comes as no surprise. They're cheap! So many companies have walked down this path ... but others, remarkably, RUN down the same path today.

**The value of UA's Medicare Supplement coverage is inarguably the most important insurance purchase seniors can ever make.** Our financial ratings and coverage flexibility are extremely important. Most of our nation's seniors know that **there is a terrific difference between price and value.** For those who don't, help them think things through and protect themselves from poor decisions. Have them consider the comprehensive coverage provided by Medicare in combination with UA's Medicare Supplement plan. If people under 65 could find medical coverage as complete as UA's, the cost would be thousands of dollars per year more than a Medicare Supplement policy. And they aren't as likely to use it.

For United American's Medicare Supplement plans, when a rate increase is approved and implemented, it means **the policy is working to provide necessary coverage.** The government requires it. Federal Law on Medicare Supplements will not allow increased rates until our company can demonstrate a claims ratio exceeding 65 percent. Simply put, the more the coverage costs, the more claims are being paid by UA to the policyholders in the effected states. That makes the coverage that much more valuable to those effected policyholders. Furthermore, unlike competitors, **we still pay our Agents full commissions and renewals to promote UA's exceptional service.**

In America, companies have the freedom to choose to fail. Other companies are allowed to operate with severe claims-loss ratios that result in reduced commissions or renewals. Fortunately for us, Torchmark's Chairman of the Board is an Actuary. As a result, **UA's actuarially-minded leaders choose long-range profitability without interference.** Claims ratios are constantly analyzed to stay ahead of changing trends. By law, we may ask for rate increases only when we can demonstrate true claims costs. That's it. Our actuaries do not consider which competitors choose to pay less in claims, which companies lower Agent compensation or which companies place themselves in financially irresponsible positions. Many now-defunct competitors had declines in their financial ratings because of improper pricing. **The strong stability enjoyed by UA's customers and Agents is created from sound decisions.**

Owning a UA Medicare Supplement policy gives informed policyholders peace of mind when it counts. Our impeccable financials also allow you the confidence that you will be able to continue to benefit from our cost-effective marketing plans: unparalleled lead diversity, reliable immediate advance commissions, ACF services and superior renewals that are actually paid in the future. **Our strength will allow UA to thrive while many competitors continue to disappear from the scene ... some all at once and others in a slow death spiral.**

We will prosper because of integrity. Every one of UA's decisions are always thought through for three long-term objectives. We want, and will, care for the needs of our customers, our Agents and our shareholders, with none taking precedence over the other. The simple concept of having the courage to make responsible decisions for everyone means that UA will always be able to fulfill our mission in life: providing the very best future for Agents and customers alike who rely upon our "Triple A" financial ratings.

**Never apologize to anyone for the value you deliver with our price.** Never, ever let anyone cheapen your value. You can swell with the pride that your customers benefit from your talented services and are represented by one of the most financially dependable senior health organizations in America. In so doing, you will also have the assurance that **UA will be there for you, too, when you need us the most.** You and I are United American Insurance Company.

Get ready folks – we have never been in a better position to **dominate the Medicare market!**