



Andrew W. King
*President,
Branch Office Marketing Division*

“THE STATE OF OUR UNION IS STRONG - AND GROWING STRONGER”

In this day and age, we have the privilege and honor to count our many blessings in being associated with United American. While there seems to be much uncertainty within other companies and business sectors, the state of our union has grown stronger. Let us count the ways.

United American's Branch Office Division is growing. Our 2nd quarter sales were up 12% over the same quarter last year and up 29% over 1st quarter 2003. Our number of producing Agents is now up nearly 11% since the beginning of 2003, reflecting an increase in training effectiveness reflected by their higher production. To further support this, in the last six months the 13 week average of First Year Agent production has increased 52%. And even more recently, due to the new Unit Manager's training bonus, the conversion rates of recruits to 10K producers increased to 151% of what they were in April and May. So you can see that this train is gathering steam. What's even more exciting is that we have successfully diversified production within two primary markets and now intend to add a third marketing focus in 2004 which will enhance our Agent growth yet again. More on that at the Branch Manager's meeting – times are good! We all know that this is only possible through the oft-said, deep-rooted belief held by all within our Company that every decision must be based upon this immutable concept: “whatever we do, it must be good for the customer, for the Agent, and for the shareholder.” If any one of these three things missing, we simply don't do it. The commitment to all parties is equally strong.

Our commitment to you is strong. We all know that saving for our retirement is no longer an option — it is a necessity. Due to the fierce competition among so many Boomers and Seniors, government and business resources are increasingly limited. As a legacy, I don't think a company can do more for its reps long-term than helping all prepare adequately for retirement — and at UA, you will have that opportunity. We are adding this preparation focus for you to our overall marketing program. In a day and age when many economically-stressed companies are cutting or eliminating retirement programs such as 401Ks and pensions, contrast this with the wonderful plans we are making for you in the Branch

Office Division. As already announced, we are in the process of adding new deferred compensation programs for Agents, Unit Managers, and Branch Managers for 2004, in which you will be able to choose from a wide variety of investment options - and then you'll manage your account online 24/7! In order to help prepare everyone for retirement by voluntarily saving in these tax-deferred accounts, many new products and programs are in place and coming to help increase your income that can be deferred in 2004. Among those plans already in place is the new Critical Illness Plan, the new Underage Provider Network's hospital and doctor re-pricing; new expanded Partners Program discounts, new RT85 Deposit Fund Rider, and new UM production bonuses. For 2004, we have already announced the addition of significantly-enhanced earnings for UMs and BMs too, along with the addition of weekly advances, just as our Agents now enjoy. As many of you are already happily aware, while there are many new programs underway for UA's Branch Office Division in the Medicare market now, there will be also many more new things to share with you later — for the beginning of 2004! More on that soon! As you can see, times are great, plans are sound, and you can plan for a greater retirement too!

With 77 million Seniors retiring in the next 2 decades and 75 million Americans predicted to be without health insurance by 2008, hang on to your seat! We at T.E.A.M. UA are going to have a great ride together to the pot 'o gold at the end of the retirement rainbow! I promise that UA will do everything we can to make that a reality for all who want the best that our Company can offer for your families. Best of all, we'll get there with the knowledge that we have helped so many customers throughout America join a financially sound company with superior products. And that's the completion of the full circle of what we are all about: our customers, our representatives, and our shareholders, as you'll see in this issue of *Vision*.