

## Andrew W. King

President, Exclusive  
Agency Division

# “Changes in the health care market are a great opportunity for T.E.A.M. UA!”

The field of health care is in a continuous state of change. These changes are across the board, encompassing everything from patient expectations to technological advances. The length of hospital stays has decreased, and technology has re-defined our collective view of surgery. Some of the things we even consider fundamentals of health care delivery may not exist ten years from now without some adaptation by employers, providers, and patients.

What I would like to suggest to you is that all this change is great for the Med-Supp business. Changes in the health care market inevitably lead to curiosity. When the government modifies Medicare, customers naturally question their own coverage. They begin to ask, “How am I affected? What benefits do I have? Is my coverage sufficient?” When an HMO withdraws from the market, customers question their insurance company, “Is my provider financially sound? Will they still be in business next year? Five years from now?”

These questions are an opportunity to reassure existing customers and gain the audience of new prospects. United American has been a leading provider of Med-Supp coverage since the advent of Medicare in the sixties. We have a solid history and are financially sound. We offer outstanding products and personal service. These are the messages prospects are listening for in times of change. Every time a change occurs in the market, we see an increase in lead responses and prospect receptiveness.

As an insurance Agent, you currently have two compelling reasons to contact customers. The first is the preventive services which Medicare added to its program this year. The added services include an annual glaucoma screening and medical nutrition therapy by a registered dietician (see page 8 for a complete list of services). Every single Medicare recipient is going to be curious about these additions, which creates a natural opportunity for you, the Agent, to contact them. The second reason is the HMO withdrawals. CNN reported Sept. 21 that 2002 HMO withdrawals will affect an estimated half million people. **However, even if there are no HMO withdrawals in your immediate area, there will be a significant amount of media attention dedicated to the withdrawals. Once again, every single Medicare recipient will be turning an eye towards their own coverage.** This is the time for you to approach prospects (**disenrolled or not**) and educate them about Medicare, supplemental insurance, and, of course, United American.

In past years, we have considered only “involuntary disenrollments.” However, there is now even greater opportunity, much greater than ever before! This important item to consider is “voluntary disenrollments.” Several companies which formally

administered HMOs will begin offering fee-for-service Medicare Supplement insurance in January 2002. Insured individuals within these companies will be encouraged to move voluntarily from their HMO plans to fee-for-service plans offered by the same company. Those Seniors who will be offered this option are not included in HMO disenrollment estimates, and the opportunity here is significant.

My take is that the number of potentially affected participants ranges between 1.5 and 2 million involuntary and voluntary disenrollees, and perhaps even more. This year’s potential could be greater than all previous years combined! These new forms of “voluntary” disenrollments could continue all year long. Think of this also — for a company to move customers internally from a managed care administrative system to a fee-for-service system, it would require the company to set up - at considerable cost - another separate administrative system since fee-for-service requires a completely different operating mechanism. In my opinion, the Seniors who opt to stay with the same company by changing to a non-HMO plan could potentially face new administrative and financial difficulties. Based on prior experiences, these Seniors need to question if their former HMO companies will “be there” over the long haul. These insurance companies may lack the assets, the service, the experience, and the Agent force that UA offers — a company experienced in providing fee-for-service Med-Supp coverage for over 35 years. If you are speaking with a prospect considering this option, make certain the Senior is aware of the potential risk associated with such an internal switch. As these HMOs approach their own customers, confusion will reign, and lead responses will escalate.

Use these curious times as an impetus to get your foot in the door. Prospects are looking for answers, and we need to be there to help them find answers. It is the perfect time to prove to customers that, in coming to the United American T.E.A.M., change can only be for the better.

## EXCELLENCE PERSONIFIED

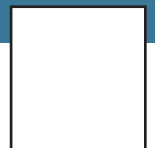
# T.E.A.M. UA



Del Smith



Floyd Chassereau



Dean Calvert