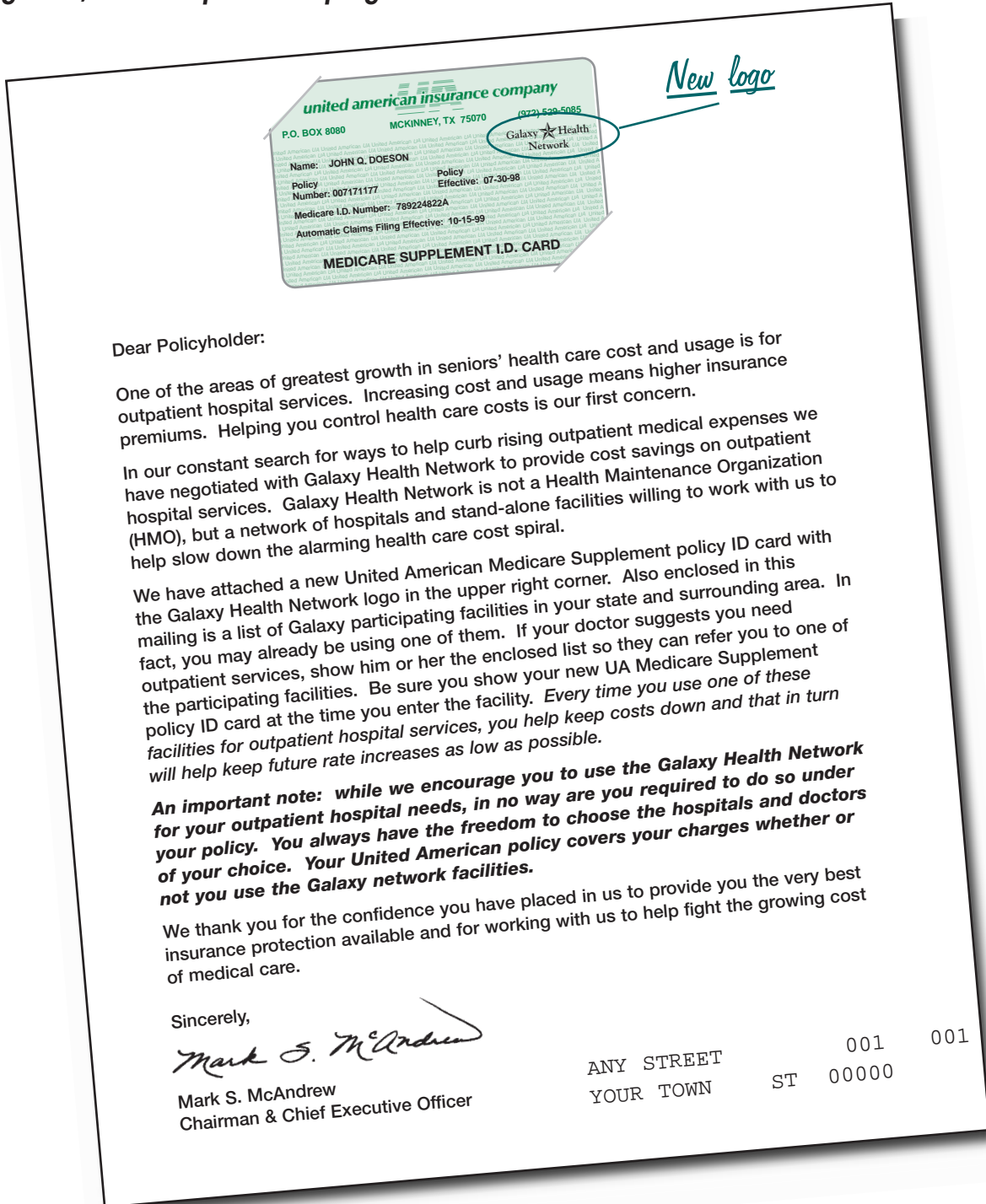


On October 15, 1999, United American began testing a new outpatient services program through Galaxy Health Network. Every time policyholders choose to use a Galaxy provider or facility for outpatient hospital services, they help keep costs down that in turn will help reduce future premium rate increases. Now that we've kicked off testing, some of your customers will be receiving the following letter, which explains the program.



Dear Policyholder:

One of the areas of greatest growth in seniors' health care cost and usage is for outpatient hospital services. Increasing cost and usage means higher insurance premiums. Helping you control health care costs is our first concern.

In our constant search for ways to help curb rising outpatient medical expenses we have negotiated with Galaxy Health Network to provide cost savings on outpatient hospital services. Galaxy Health Network is not a Health Maintenance Organization (HMO), but a network of hospitals and stand-alone facilities willing to work with us to help slow down the alarming health care cost spiral.

We have attached a new United American Medicare Supplement policy ID card with the Galaxy Health Network logo in the upper right corner. Also enclosed in this mailing is a list of Galaxy participating facilities in your state and surrounding area. In fact, you may already be using one of them. If your doctor suggests you need outpatient services, show him or her the enclosed list so they can refer you to one of the participating facilities. Be sure you show your new UA Medicare Supplement policy ID card at the time you enter the facility. Every time you use one of these facilities for outpatient hospital services, you help keep costs down and that in turn will help keep future rate increases as low as possible.

An important note: while we encourage you to use the Galaxy Health Network for your outpatient hospital needs, in no way are you required to do so under your policy. You always have the freedom to choose the hospitals and doctors of your choice. Your United American policy covers your charges whether or not you use the Galaxy network facilities.

We thank you for the confidence you have placed in us to provide you the very best insurance protection available and for working with us to help fight the growing cost of medical care.

Sincerely,

Mark S. McAndrew

Mark S. McAndrew
Chairman & Chief Executive Officer

ANY STREET
YOUR TOWN

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Remember to remind customers this program is voluntary — they are not required to use the Galaxy Network.