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## 2004 Can Be A Banner Year In So Many Ways!

Well, I've got good news, great news, and tremendous news. As we begin to round out 2003, things are taking shape in the Branch Office Division for an exciting 2004. Let's take a look around and see what's in store for us.

On the Medicare Supplement front, I am pleased to announce that in 2004 UA will experience some of the lowest rate increases in recent memory. In fact, premiums will only increase by:

- \*Less than 2% in 14 states
- \*Less than 5% in 12 states
- \*Less than 7% in 2 states

And it gets better! You will be pleased to hear that 29 states will have **ABSOLUTELY NO RATE INCREASE** on at least one ProCare plan. How does that sound? It is certainly exciting news!

Another way UA is endeavoring to increase competitiveness in the Medicare Supplement market is to lower our turning-65 rates on Attained Age plans. In fact, our age 65 rates may be reduced by as much as 10% in some cases! Additionally, so far 28 states have been approved for selling dual rates, meaning Issue Age pricing is available for Plans A, F, & G while Attained Age pricing is used for Plans B, C, & D. Nine more states have dual rate approvals pending.

As if all of this weren't enough, keep in mind that over the next two decades 77 million Seniors will be turning age 65, many of whom are Baby Boomers now. With the combination of the explosive market growth and the innovations by the Home Office for our ProCare portfolio, **2004 WILL BE A BANNER YEAR** for the Branch Office Division in the Medicare Supplement market!

Of course, all Agents should be writing business in both the Medicare and Underage Health markets. As you know, many exciting things are happening in the Underage Market – after all, 75 million Americans are projected to be uninsured by the year 2008, which is only a little over four years away! What's good here is that UA's Underage Health policies offer quality protection at affordable rates for the increasing numbers of uninsured workers as healthcare costs continue their unprecedented march upwards. And - even better - while we'll write these Baby Boomers when they are under 65 years of age, we'll do it again when they need our Medicare Supplements! At UA, we truly have a "hand-in-glove" fit between our two primary markets, for a potential lifetime of coverage with the same customers! Could our markets get any better than that?

Yes, they did get better, on a more serious note. Our responsibilities in finding new uninsured prospects have just become even more acute. Having some kind of health insurance has become even more crucial in order to access emergency health services. On November 10, a new and compelling federal rule took effect which redefines hospital obligations and expands situations under which hospitals are exempt from federal requirements.

As *The New York Times* reported on Sept. 3, the new rule "may make it more difficult to obtain certain types of emergency care at some hospitals or clinics that hospitals own and operate." The new rule does not require specialists to remain "on call" around the clock, which may create delays for patients seeking this kind of care. This is when a United American insurance card can be most valuable and may help some patients access services which might otherwise be unavailable. We need to help as many people as possible get a card in their hands to present in order to minimize access problems for hospital visits!

To help you more easily save for retirement, we will begin a new deferred compensation savings program for all Agents and Unit Managers with at least one year of service at UA. Unit Managers will get the deferred compensation plan too, but will now also have a new performance-based advance program, including new overrides and bonuses, with the potential to more than double total managerial compensation. While Branch Managers will also have new enhanced commissions and deferred compensation, we have created yet another tier for them in the form of a performance-based company match of up to 100% of their deferred compensation contributions, at up to one-tenth of their new earnings. Enrollment kits for everyone will soon be sent to your Branch for you to self-direct your deferred compensation contributions for 2004, within vehicles you choose from a menu of investment options. You will be able to access your investment strategies online, 24 hours per day, 7 days per week.

The potential to build savings and higher earnings has never been better. As an example, this year's weekly production record for our Division was set in only our third week of this new program, at nearly \$2.6 million. During this same time period, the new weekly managerial checks have already added as much as \$4,962 per week to existing renewal income. Doesn't that speak to a bona-fide potential for the future, especially as the extra earnings allow for a greater savings rate for retirement funds? We fully expect even higher compensation for all in 2004 as more and more people learn how to take full advantage of these opportunities to increase savings through better productivity. If you who desire a challenge in management, now is the time to approach your Unit Manager, Branch Manager or Home Office Regional Leaders to express your interest – of course you must work to achieve the results necessary for the enhanced compensation of these positions. Your T.E.A.M. leader will outline his or her expectations for you to qualify for the higher appointment.

Our times couldn't be better! No doubt about it — 2004 will be a banner year for United American Insurance Company's Branch Office Division in the Senior and Underage Markets. I encourage you to take your higher earnings in 2004 and use them to fund your new savings opportunities and build a stronger tax-advantaged retirement account on top of your renewals! In so doing, your family's financial future will be even better with our United American T.E.A.M..