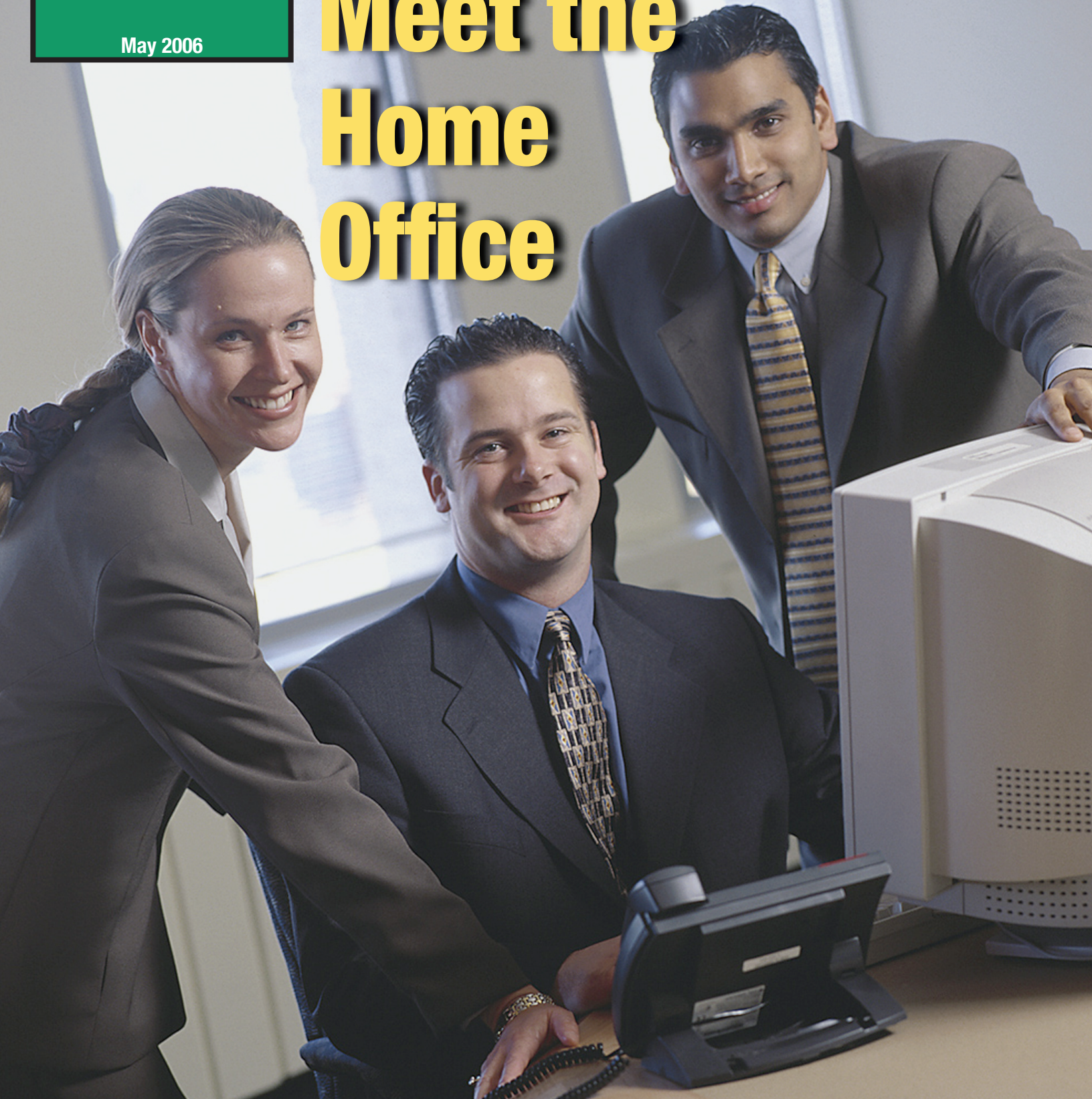


The news and ideas magazine for UA's Branch Office Division.

V
VISION
Magazine

May 2006

The People Behind the Products – Meet the Home Office





UNITED AMERICAN

For over a half century, United American Insurance Company has been meeting the public's life and health needs. We are a leader in individual life and health protection. We are totally committed to meeting customer needs through personal one-on-one Agent service and complete Home Office customer support. You can count on UA to do what it says it will do.

www.uabranch.com

www.unitedamerican.com

Home Office (972) 529-5085

VISION

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V

EDITOR'S PAGE

ProCare Approvals

A special mailing regarding **ProCare Medicare Supplement** rate approvals for new business and renewals has been mailed to Branch Offices in **Maryland and Washington, D.C.**

Check your state(s) ProCare rate memo for complete effective date information and cut-off dates for business written with old rates.

Interest Rates Set

The Lifestyle Annuity new money interest rate for the month of **June** is **4.45 percent**. Rates will continue to be reviewed and adjusted accordingly. The Deposit Fund Rider new business interest rate for **2006** has been set at **3.00 percent**.

ATTN: ALL HEALTH AGENTS

For all new business and inforce under age 65 health policies, the rate increase policy will be adjusted to comply with UA's current Medicare Supplement rate increase policy.

Please note the following: For policies **effective October 1, 2005, and thereafter**, a rate increase may be implemented **four months** from the effective/issue date of the policy. For inforce policies with **effective dates of September 30, 2005, and prior**, the **12 month rule will remain in effect until October 1, 2006**. UA will continue to comply with all state laws regarding the timing of increases.

ATTN: ALL UA AGENTS

Effective immediately, RIP calls used for application verification will now be termed **"Quality Assurance Calls."** Agents should be sure to instruct new customers *at the time of sale* to expect a quality assurance call to welcome them to UA and verify certain information on their application.

UAatWork Update:

FLORIDA

Good News! Effective June 1, The UAatWork **20-Year Renewable Term to 70 (UATCG) Life** policy is now approved for sale in Florida.

SOUTH CAROLINA

Effective immediately, UA's **Involuntary Unemployment Waiver of Premium Rider** is no longer approved for sale with UAatWork **20-Year Renewable Term Life (UATCG)** and **Term Life to 100 (UAPTL)** products.

TEXAS

Effective immediately, the **Critical Illness Accelerated Benefit Rider (CILACL)** is no longer approved for sale with UAatWork **20-Year Renewable Term Life (UATCG)** or **Term Life to 100 (UAPTL)** products.

ATTN: ARIZONA AGENTS

As required by the State of Arizona, UA is mailing the following notice to all under age 65 health policyholders in Arizona:

"When we sent your health insurance policy to you, we attached to it a copy of the Healthcare Insurer Appeals Process Information Packet that is required by the State of Arizona. This packet contains information about how to appeal a denied claim. In compliance with Arizona law, we are sending you this notice to inform you that if you need a duplicate copy of the Packet, you may request one by calling our Customer Service Department."

UA will continue to mail this notice to Arizona policyholders annually. Feel free to contact Branch Services with any questions.

UA SALUTES OUR VETERANS!

United American is very proud of our relationship with our veteran Agents. Unfortunately, a few of our valuable T.E.A.M. members were not listed in last month's issue. We would like to take this opportunity to congratulate **Janie Barrett, Kim Fultz, Robert Giles, Anne Kaiser, Terry McAfee, Don Saltis, and Jeff Tole** on their many years of service! We appreciate all your hard work and commitment over the years.



John Gore

*Senior Vice President,
Branch Agency Division*

Something that constantly amazes me is the effort of so many people behind every task completed by the Home Office. From Branch Service to Customer Service/Teleco to Underwriting, Marketing, Legal, and Compliance, all departments are essential to our everyday flow of business.

Launching a new product involves the expertise and hard work of literally hundreds of people. Typically, a new product idea originates in Sales, where a team of people has examined the insurance landscape and determined what products UA might introduce to fit our niche markets. From there, a group of actuaries and lawyers determine the product's feasible profitability. If the product is a go, a legion of people, ranging from Compliance to Marketing to IT to Accounting to Supply, becomes involved. It's really astounding how so many people work together to provide our field force with the best possible products and support to keep our sales going strong.

Case in point: Our Home Office building currently houses over 500 people all dedicated to some part of UA's mission. Over the past year, the Home Office has experienced quite an expansion, and we've run out of room for everyone! We had to build cubicles in hallways; desks are situated in every nook and cranny available. We even had to clear out a file room to make more room for Branch Service. But, that's not all. The parking lot is over-flowing. Everyday, employees ride a shuttle from a nearby church parking lot just to get to work. The good news is the Home Office campus is getting a few new additions, as our parent corporation, Torchmark, prepares to relocate its headquarters here. Already, ground has been broken on a new parking lot, and a new building is planned for construction as well.

As you can see, the Home Office is growing right along with our Branch Office division. Obviously, the more sales growth we experience, the more support staff we need. It's a mutually

Field Force & Home Office Staff:

Here we grow together!

beneficial cycle for everyone, whether you are out selling in the field or bolstering those sales efforts by the important work done in the Home Office.

I want to give you a personal glimpse behind the scenes at the Home Office, because that's what this issue of *Vision* is about — the people at the other end of the phone, the people who work everyday to deliver the promises we make in the field, the people at the Home Office. I'm giving you just a small snapshot of what happens daily here at the Home Office, but I can assure you that what is accomplished here everyday is by no means a small task. It's a monumental task completed with professionalism and skill by a huge team of people working towards a common goal. That goal, of course, is the continued growth and prosperity of UA.

I personally am glad we are able to salute the people of the Home Office in this issue of *Vision*. By no means is every employee or every department showcased in the following pages, but this issue does give you a good indication of the incredible individuals you have behind you each day in the field. I think each Branch Agent, Unit Manager, and Branch Manager should feel confident walking into any home or business knowing you have the outstanding support of so many talented people behind you. Together, we bring sound insurance products to people who need them. Together, we keep our promises and surpass the service expectations of our policyholders. Together, we will continue to grow and build the UA of tomorrow.

So, to all departments and Home Office personnel, this one's for you!

USA PATRIOT Act Increases Accountability for United American

On May 2, 2006, the final implementing rules required by the USA PATRIOT Act became effective. The Act is an acronym for Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism. The Act greatly strengthens existing U.S. anti-money laundering laws, grants new powers for law enforcement, and enhances criminal and civil penalties for violations.

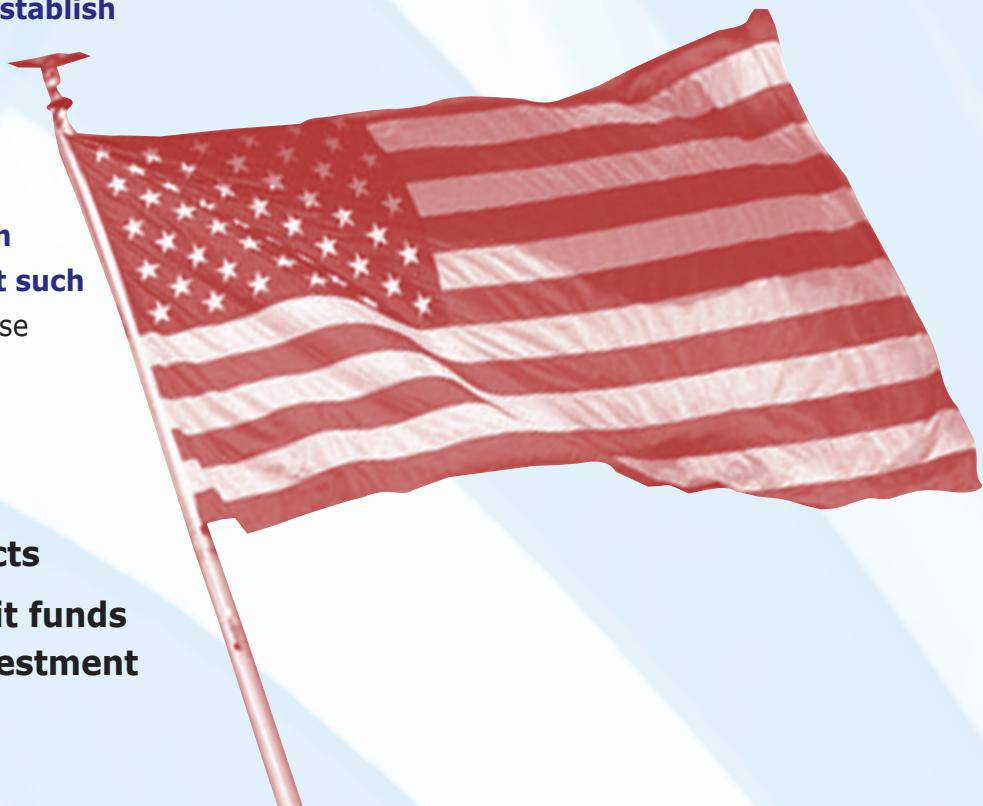
Money-laundering practices are a major focus of the PATRIOT Act. Financing terrorist activities may involve the use of legal money to fund illegal activities. It may also involve money laundering, the use of illegal funds that are sufficiently "washed" through a series of legal financial transactions to appear clean. Money laundering and terrorist financing go hand in hand, and the financial services industry is generally the vehicle through which the money is laundered.

The PATRIOT Act includes provisions to prevent the financial services industry, including the insurance industry, from being used for money laundering and terrorist financing. **Under the final rules, the Act requires insurance companies to (1) establish anti-money laundering (AML) programs that comply with standards developed by the Department of the Treasury and (2) report "suspicious activities" and obtain information from Agents or Brokers to detect and report such transactions.** The products to which these government regulations apply are:

- **Permanent, non-group life insurance policies**
- **Non - group annuity contracts**
- **Any other product or deposit funds with features of cash or investment**

United American Agents have a critical role to play in our Company's AML program. Our Agents have direct contact with customers and are in the best position to gather information and detect suspicious activity. During the sales process, Agents learn about the source of a customer's assets, the background and nature of the customer, what aspects of the product most interest the customer, and why the customer is considering the product. Because insurers may have to set more restrictive standards on policy payments and the amount of those payments as a result of the Act, Agents may need to inform customers of these standards as well. Under Federal law, Agents will be protected from liability for disclosing suspicious customer activity or behavior to their companies.

Federal AML regulations require insurers to train Agents on recognizing suspicious behavior or transactions and to test the effectiveness of company AML programs. United American is currently developing a program and materials to comply with these requirements. Check back in next month's *Vision* for more details.



USE UA'S PROCARE PRINT ADS TO

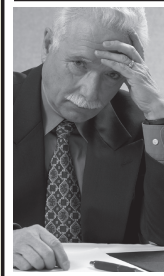
BOOST Your Med-Supp Sales!

In spite of Medicare's changes, one thing remains constant: Your Senior customers will continue to need Medicare Supplement policies!

United American is pleased to offer three new ProCare print ads to help you enhance your Medicare Supplement sales. The ads are available in two or three column format, and the new ads all reference Medicare Part D. Branch Managers may order ads through the [UA AdCatalog](#) located at [UAOnline](#). ProCare print ads are an easy and inexpensive way to create new interest among your Senior prospects.

PROCARE ADS ARE APPROVED FOR USE IN STATES MARKED WITH AN "X" AT PRESS TIME.									
AK	X	GA	X	MA	-	NJ	-	SD	X
AL	X	HI	-	MD	X	NM	X	TN	X
AZ	X	ID	-	MI	-	NC	-	TX	X
AR	X	IL	-	MN	-	ND	-	UT	X
CA	X	IN	X	MS	X	OH	X	VA	X
CO	-	IA	X	MO	X	OK	-	VT	X
CT	X	KS	-	MT	X	OR	X	WA	X
DE	X	KY	X	NE	-	PA	X	WI	X
DC	X	LA	X	NV	X	RI	X	WV	X
FL	X	ME	-	NH	X	SC	X	WY	X

Confused about Medicare Supplements? Don't be!



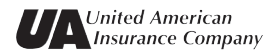
United American Insurance Company has answered Seniors' questions about Medicare Supplements for almost 40 years. Our insurance policies offer:

- On-the-spot qualification
- Competitive rates
- Fast policy issue
- Freedom to choose doctors & hospitals
- Personal service by a local agent

UA also offers:

- Medicare-approved Part D prescription drug coverage

To learn more call:



United American Insurance Company is not connected to or endorsed by the U.S. government, federal Medicare program, Social Security or any other government agency. These insurance policies have limitations and exclusions. This is a solicitation for insurance and you may be contacted by an Agent representing United American Insurance Company. United American is an approved provider of the Medicare Part D program.

PROC1-06

Are Medicare changes tossing you into a sea of confusion?



Since Medicare began, United American Insurance Company's Medicare Supplements have been an anchor of strength and stability for America's Seniors. Our insurance policies offer:

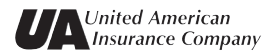
- Competitive rates
- Superior Company rating by A.M. Best*
- Freedom to choose doctors & hospitals
- Standard-setting service by a local agent

UA also offers:

- Medicare-approved Part D prescription drug coverage

If you're looking for a calm harbor, we know just the place!

To learn more call:



*Rating as of 6/05. United American Insurance Company is not connected to or endorsed by the U.S. government, federal Medicare program, Social Security or any other government agency. These insurance policies have limitations and exclusions. This is a solicitation for insurance and you may be contacted by an Agent representing United American Insurance Company. United American is an approved provider of the Medicare Part D program.

PROC2-06

PROC2-06

Looking for a committed relationship? You've found it!



For almost 40 years, thousands of Seniors across the U.S. have trusted United American Insurance Company's Medicare Supplements. Our insurance policies offer:

- Competitive rates
- Superior Company rating by A.M. Best*
- Freedom to choose doctors and hospitals
- Standard-setting service by a local agent

UA also offers:

- Medicare-approved Part D prescription drug coverage

Medicare is changing, but our commitment to Seniors never will!

To learn more call:



*Rating as of 6/05. United American Insurance Company is not connected to or endorsed by the U.S. government, federal Medicare program, Social Security or any other government agency. These insurance policies have limitations and exclusions. This is a solicitation for insurance and you may be contacted by an Agent representing United American Insurance Company. United American is an approved provider of the Medicare Part D program.

PROC3-06

PROC3-06

Behind the Scenes: *Meet The Home Office Team*

Let's face it, what you do as an Agent is tremendously important, but it's only a fraction of the work that goes into creating and maintaining a product for your customer. For every product we design or revise, there is a behind-the-scenes team of individuals from many Home Office departments responsible for developing various aspects of the project. The entire process can take months, and the tasks involved are monumental. Getting the product to the marketplace is just the beginning, however. Selling the product and providing efficient service to our Agents and policyholders is just as critical. For all these operations to be successful, it's truly a team effort!



Peter
Hendee

Actuarial: Our Sales Department may want to create a new product for United American, or they may want to revise an existing product already in our portfolio. First stop, Actuarial!

Actuarial is the foundation of any new or existing product development. It determines whether or not the product is feasible for UA. Our actuaries apply the theories of probability, statistics and finance to problems of insurance. They determine mortality tables and probability tables dealing with death, accidents, and illness. On the basis of these tables, the rates for the various types of insurance – whether a health or life product – are determined, and the various underwriting practices are established. Actuarial functions on the assumption that the frequency with which events occurred in the past will predict or measure the probability of them occurring in the future. According to Peter Hendee, Vice President and Health Actuary, “The Actuarial Department looks at existing statistics to come up with premiums for various benefit packages. Actuaries review and analyze historical claims history, purchase information from consulting actuaries, compare premiums of similar products, and study all available statistical information related to the product.”



Mike
Gaisbauer

Compliance: According to Mike Gaisbauer, Vice President of Compliance, “Compliance plays a critical role in the ‘new product process’ once Sales and Actuarial have identified what kind of product it is and how it will work.” Compliance files all new products with the Department of Insurance for each state to obtain selling approval. They ensure that the policies, policy forms, applications sold and marketed are compliant with the insurance laws and regulations enforced by the states in which UA is licensed. Compliance also develops new policy review and issue systems and works to create and sustain communication between the department, the field and Home Office personnel. The department has a group of analysts who work individually or in teams for major projects. Laser technicians also create policy documents. Compliance also reviews proposed advertising for adherence to state regulations and Company guidelines. Like most Company departments, Compliance wears a lot of hats!

Behind the Scenes: Meet The Home Office Team



Randy
Holmes

Information Technology: IT is the means to the end for every new product, every existing product and just about everything in between at United American. IT creates the means for product development to be managed and formats the information required to report production figures which determine commission payments. It also makes sure all the technical requirements for each policy and application are met and maintains all the hardware and software required for our Company's operating efficiency. Careful project management, which includes steps such as systems analysis and design, buying or creating software to implement the design, testing, installing databases or networks, system testing, training, system installation and user acceptance, is essential to IT's overall responsibilities and successful functioning. According to Randy Holmes, Vice President of Applications, "The goal of IT is to make the moving parts of UA work as accurately and effectively as possible by integrating available technology with UA's products and processes." Without the efforts of the IT Department, United American could not create and sustain new products or fulfill the needs of employees, Agents and policyholders.



Judy
Adams

Agent Licensing: This hard-working team's main responsibility is to make sure our Agents are properly licensed and appointed in the states in which our Company is authorized to sell. Our licensing specialists maintain the Agents' files, handle transfers, renew appointments, and terminate Agents.

When Licensing receives completed contracts, they are verified – background investigation, eligibility, etc. – and checked for all necessary documentation. According to Judy Adams, Vice President of Agent Licensing, "We prefer to e-mail and have correspondence e-mailed to us." Once everything is in order, Licensing assigns an Agent number, files state appointments, and sends a welcome letter and supplies. Licensing stores Agent files and information electronically. Agent Licensing also has a prominent part in new product development. It creates the commission schedule for the new product for final Company approval. Licensing also monitors the new product process to make sure target dates are being met.



Amy
Day

Leads: Leads Administration Manager Amy Day handles a lot of activity. "We maintain lead account balances for our Branches and a host of other activities. We sell some Med-Supp leads, although many Agents use outside lead vendors. We even act as mediator between Agents and vendors if a problem arises. We want Agents to know we are available to help solve any issues that may come up and are here anytime to give them up-to-date account information." The Lead Department adds money to lead accounts based on an Agent's production and approves lead orders based on account balances. The department also takes orders for blank response cards.

Behind the Scenes: Meet The Home Office Team



Dave
Collett

New Business Underwriting: As an important link between the Company and the Agent, Underwriting processes new policy applications. The department reviews applications to make sure all questions are answered and appropriate signatures and bank draft information is provided. The Underwriting staff also confirms required materials are included with the application. When the application is approved, the policy is printed and mailed to either the Agent or the customer. PASS applications are scanned into our system, but some procedures still use traditional data entry. According to Dave Collett, Vice President of New Business Underwriting, "It's critical for Agents to print clearly. PASS applications with stray marks will not be accepted by the system and will cause a delay in processing the application. Based on my experience, the Agent can play a significant role in how quickly the application is processed." Branch Managers can e-mail or fax underwriting questions directly to the department. The e-mail address is nbrequests@torchmarkcorp.com and the fax number is 469-525-4210.



Ann
Braswell

Policy Service: "We are essentially a maintenance area for new products," says Ann Braswell, Vice President of Policy Service. "We do testing to find out what we'll need to make it work for us. Once the new product policy is issued, we need to make sure it can be maintained. We are really multi-functional once policy contracts are issued. Because we strive to provide accurate and timely service to both Agents and policyholders, we cross-train within our individual units. We have at least three people trained on every procedure."

The eService Center has been an important innovation for Policy Service. According to Ann, "Customers contact the Home Office by e-mail and receive a response within a few hours. They love being able to have that immediate response. Our biggest goal is to automate procedures so they can be handled more efficiently. All worksite and annuity calls come directly to Policy Service, and with worksite growing so rapidly, it's been a challenge. But, we're up for it."

Policy Service provides all aspects of service, excluding policyholder claims payments. It handles adjustments, billing changes, refunds, adding or removing riders, conversions, group insurance, annuities, living benefits, and general correspondence. The Policy Service staff is very knowledgeable and able to answer most any question.



Donna
Walton



Donna
Adams

Branch Service: As the primary liaison between the Branches and the Home Office, most calls come to this department. The department answers questions about new business, policy service, commissions, compliance, claims, product information, licensing changes and renewals, convention qualifications and current industry related events. Branch Service encourages Agents to use the website at www.uabranh.com/services. They can download forms, view the AdCatalog and find answers to many questions they may have. The department also provides information to prospective Agents who want to learn more about our Company and products.

Branch Service is very friendly, and team members work hard to keep communication flowing smoothly. The department's primary goal is to provide complete, accurate information in a prompt and courteous manner when Agents call. Says Donna Walton, Director of Branch Office Support, "What the field does is very important. We are always here for the Branches to help get their business issued because it's persistency that counts." Donna Adams, Branch Service Supervisor, agrees, "Branch Managers, Unit Managers and Agents are 'Number 1' in Branch Service!"

Behind the Scenes: Meet The Home Office Team



Karen
McLaughlin

Policy Benefits: Claims processing is the main function of Policy Benefits. Medicare Supplement Claims and Long Term Care Claims are efficiently handled in the McKinney office. According to Karen McLaughlin, Senior Vice President of Policy Benefits, “Our turn around time on Med-Supp claims is one of the best in the United States. In 2005, we averaged only 2.9 days!”

Policy Benefits pays more than \$403 million annually in combined health claim benefits and handles all claim correspondence. The department also verifies that all Long Term Care claims meet policy provisions and handles extremely large volumes of mail each week. Under age 65 health claims are handled just as efficiently by our claims examiners in Oklahoma City. They are currently implementing a new claims processing system to provide even more efficient claims handling and to improve our turn-around time and customer service functions. Oklahoma City’s life unit pays millions of dollars each year in life claims and has a prominent role in fighting fraud.



Greg
Schaeffer

Commission Accounting: Each of the dedicated staff in Commission Accounting has specific responsibilities for payment of Agent commissions and recording commission expense to the ledger. The staff also reports Agents’ earnings to the IRS and generates 1099s for Agents. The department closely monitors new product implementation to make sure the commissions they pay are accurate and appropriate.

Greg Schaeffer, Assistant Vice President of Commission Accounting, is very proud of his staff. “We have a lot of challenges because of the number of Agent contracts we handle, so tenure is very important to us. Our number one job responsibility is auditing. Agents work hard for their business, and we do all we can to compensate them in an accurate and timely manner. If the commission request is in by Tuesday, the check should be ready by Friday. We haven’t missed a commission cycle deadline in 10 years.”



Brian
Mitchell

Legal: Legal regularly advises management on a variety of legal and regulatory issues associated with daily Company operations – claims issues, advertising, sales training, rate and policy form filings, personnel issues, contractual matters, and many other topics. According to Brian Mitchell, Vice President and Associate General Counsel, “Legal frequently interacts with almost every department within United American.” Legal monitors and responds to provider or policyholder complaints as well as attorney correspondence. It also defends the Company against litigation and works to ensure that we adhere to federal and state laws and regulations. Legal helps draft and review legal documents and guides management concerning courses of action. The department also responds to inquiries from state regulators and is involved in facilitating and responding to Market Conduct exams. Our attorneys, paralegals and administrative staff work hard to meet the Company’s legal obligations while assisting management’s operational objectives.