

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

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VISION
Magazine

October 2006

HITTING THE MARK WITH

Part D

• **CLAYOQUOT**

• **PART D UPDATE**

• **MEDICARE A/B CHARTS**



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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EDITOR'S PAGE

ATTN: TEXAS AGENTS: REVISED PROCARE APPLICATION

A special mailing regarding the revised ProCare application is being mailed to Agents working in **Texas**. The new form numbers are **MAI4(42)R** and **DMAI4(42)R**, and Agents should begin using them immediately. As of December 1, 2006, we will no longer process applications written on old forms. To order additional forms, call Agent Supply at 800-285-3676; fax to 405-752-9341; or e-mail uaagentsupply@torchmarkcorp.com.

MEDICARE PREMIUMS & DEDUCTIBLES UPDATED

Medicare recently released its new premiums and deductibles for 2007. See pages 9 and 10 for new Medicare A/B Charts.

Part B Standard Monthly Premium: \$93.50

Part A Annual Premium: \$410
(paid by very small proportion of beneficiaries)

Part A Deductible: \$992

Part B Deductible: \$131

Plan K out-of-pocket limit: \$4,140

Plan L out-of-pocket limit: \$2,070

HDF deductible: \$1,860

FLEXGUARD & GOOD SENSE PLAN RATE APPROVALS

A special mailing regarding **FLEXGUARD** and **Good Sense Plan** rate approvals for individual and UAatWork new business and renewals has been mailed to Branch Agents working in the following states:

FLEXGUARD: Colorado, Georgia, Kentucky, Maryland, Nebraska, and Wisconsin.

Good Sense Plan: Arkansas, Georgia, Michigan, Ohio, and Texas.

The new business effective date is **November 15, 2006**. Check your state(s) **FLEXGUARD** and **Good Sense Plan** rate memo for cut-off dates for business written with old rates. If you did not receive this notice, please contact Branch Services.

INTEREST RATES SET

The Lifestyle Annuity new money interest rate for the month of **November** is **4.50 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**.

NAIC MODEL LIFE REPLACEMENT REGULATION

A special mailing regarding the adoption of the NAIC Model Life Replacement Regulation and the required use of UA's standard replacement notice **REPNOT/00** is being sent to Agents working in **Maine, Rhode Island and West Virginia**. **Agents in Rhode Island and West Virginia are required to use this form immediately. Maine's effective date is 1/1/07.** As always, check your state's compliance sheets regularly for changes and approvals. If you have any questions, please contact Branch Services.

NO REPROCESSING HDF CLAIMS

If a policyholder does not have adequate funds in his or her Reserve Fund Annuity (RFA) to cover a Medicare Supplement High Deductible Plan F (HDF) claim at the time of initial processing, United American cannot go back and reprocess the claim after the policyholder deposits additional funds into his or her RFA. The policyholder must have adequate funds in the RFA to cover the claims at the initial time of process, or the policyholder will be responsible for paying the claim.



John Gore

*Senior Vice President,
Branch Office Division*

As we approach the end of 2006, I'm focused on two main issues. One is determining what we can do for the remainder of the year to achieve the goals we have set for 2006. The other is finding ways to exceed the goals we have set for 2007.

With the Medicare Part D annual enrollment period beginning mid-November and running through the end of the year, we are in an excellent position to increase our existing customer base and exceed our annual goals. Given the inclusion of Hawaii and Alaska, we are now a national plan and have an even greater base from which to draw prospects.

The annual Medicare Part D enrollment period is an optimum time to contact both your existing Med-Supp customers and new prospects. During these next few months as Seniors deal with Part D changes, enroll in Part D for the first time, or change plans, they need your time and attention. After all, affordable access to prescription drug coverage is a major concern for almost every Senior. According to a recent article on www.seniorjournal.com, the cost of brand name drugs used most by Seniors increased six percent in 2005. The increase was for the sixth year in a row and was almost twice the rate of general inflation for that same year. Our center spread this month is devoted to a mini-review of Part D. Be sure to take particular note of the changes that Medicare has made for 2007.

This is also the best time of year to review existing coverage with your current Med-Supp customers. Ask your customers to consider adding additional items to their portfolio of protection such as life insurance, a final expense plan or annuities. Seniors will always be very important to increasing sales. They are generally extremely loyal customers, and that loyalty can be a very rewarding asset, especially in terms of their willingness to give you referrals.

Paying special attention to Seniors over the next few months can reap big rewards. We know from experience that it makes good sense to focus on our Senior market because Med-Supp business is one of the best in terms of persistency and retention. In addition, baby boomers' numbers are exploding, and they will need Medicare Supplements, prescription drug coverage and life products for decades to come. It's a market that will only get better as time goes by and one that just may put you on the plane to Hollywood next year!

The Road to Success...

Looking ahead, how do we exceed our goals for 2007? Recruit and promote, recruit and promote and recruit and promote some more. With both the Senior market and the under age 65 market in overdrive, we need more producers to handle these market segments, more Branches to house our producers, and a new group of talented and dedicated individuals who can take the reins of leadership in the coming years as our seasoned veterans retire.

The need for growth and expansion is hitting us from every angle, and we must be responsive if we are going to remain a leader in health/life insurance markets. As we have said time and time again, recruiting is the lifeblood of the organization. Recruiting generates greater prospecting and sales activity, which generates greater persistency, retention and renewals. Yes, to some degree, it is a numbers game. The more Agents we can inject into your Branch Offices together with a structured training program, the better those numbers will be and the more commissions Agents, Unit Managers and Branch Managers will earn.

Want to know more about the value of recruiting and promoting? Look to the members of our Leadership Development Board. They are members of this prestigious Board because of their selfless and dedicated mentoring and promoting of Unit Managers to Branch Managers. They understand and appreciate the urgent need we have to increase our Agent population and to put qualified individuals into places of responsibility. Opening new Branch Offices makes the United American opportunity available to more people and allows us to touch the lives of many new prospects.

In addition to increasing sales and commissions and establishing new Branches, promoting Unit Managers to Branch Managers has other perks. Check out our spread on the Leadership Development Board's trip to Clayoquot, Vancouver, British Columbia, Canada. You'll see exactly what I mean. Not only are Board members outstanding promoters, they're pretty darn good fishermen too!

Clayoquot was amazing, and who knows what 2007 might bring for LDB members. The world is full of exciting places!

Clayoquot



What comes to mind when you think of deep blue, cloudless skies, majestic, towering mountain ranges, and clear, cool mountain lakes? If you're a member of the Leadership Development Board, only one thing comes to mind: Clayoquot!

Clayoquot Wilderness Resorts & Spa is located in the Clayoquot Sound

Biosphere Reserve on the western edge of Vancouver Island, British Columbia, Canada. Established in 1997, it's a resort unlike any other. Clayoquot is designed as an "Eco-Resort" that combines the luxury travelers expect in a quality property with an amazing sense of environmental awareness and respect. Clayoquot offers four-star accommodations, delicious coastal cuisine, and incredible natural adventures. Visitors can experience a renewal of body and mind amidst one of the most beautiful wilderness frontiers left on the planet.



Members of the Leadership Development Board are selected based on their dedication to mentoring and promoting Unit Managers to Branch Managers, and Clayoquot was the perfect location for the group to meet. Many of the activities provided by the staff at Clayoquot are physically challenging and aimed at building

teamwork and interdependency among participants. By testing their skills with new experiences, attendees more fully realized their own capabilities. These "Promoters of the United American Opportunity" experienced a sense of camaraderie and fellowship they can carry back into the workplace. Kayaking, horseback riding, and deep-sea



fishing in this amazing wilderness cleared the minds and infused the spirits for everyone there.



Part D: **TARGET SENIORS...**



PART D OPEN ENROLLMENT!

The Center for Medicare and Medicaid Services (CMS), along with United American, are gearing up for 2007. Annual open enrollment for Part D begins November 15th and runs through December 31st. This will prove to be a particularly exciting year for us, as United American's Part D plan is now national with the addition of Alaska and Hawaii as part of our service area.

There have been some rate changes, so be sure to check the updated rates in the 2007 Summary of Benefits (\$5755_07SB F5437) available for download on the Part D Agent website:

www.uamedicarepartd.com/agents

PART D "DO's":



Review the November 2005 issue of *Vision* at www.uabranch.com/services:

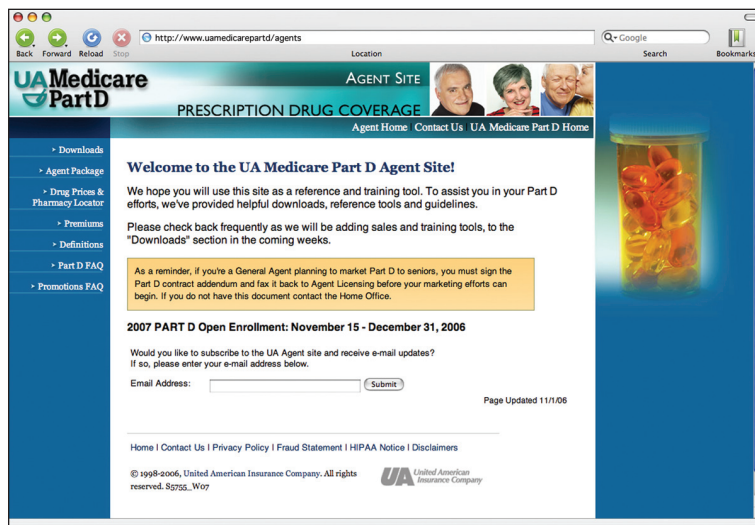
This issue introduced you to the basics of Part D. It discussed the fundamental design of the plan, the spending phases, monthly rates by state, Medicare Marketing Guidelines, Agent Guidelines, how to sell Part D, and the numerous sales tools we have available. Most of the information is still applicable, but there are a few notable Medicare updates:

	2006	2007
Medicare Deductible	\$250*	\$265*
Coverage Gap Begins	\$2,250	\$2,400
Catastrophic Coverage Begins	\$3,600 out-of-pocket	\$3,850 out-of-pocket

*The deductible for UA is waived.

Review the Part D Agent Website: Go to www.uamedicarepartd.com/agents.

Download forms, Agent training materials, Agent guidelines, Summaries of Benefits, formularies, CMS handouts, worksheets, etc. Training and support materials have been updated for 2007.



IMPORTANT! Please read and complete this form and send it in with your enrollment for Part D.

ENROLLMENT PERIOD QUALIFICATION

Open Enrollment for Medicare Part D is held from October 15 through December 31 each year. Before you can enroll in a Medicare Part D plan, you must first determine whether you qualify under any special enrollment period (SEP) categories. If you do not qualify for any SEP, you must enroll during the Open Enrollment period. Please indicate whether you qualify for any SEP by checking the appropriate box. If you do not qualify for any SEP, you must enroll during the Open Enrollment period. Please indicate whether you qualify for any SEP by checking the appropriate box. If you do not qualify for any SEP, you must enroll during the Open Enrollment period. Please indicate whether you qualify for any SEP by checking the appropriate box.

Do not check any box unless you are sure you qualify for it.

TYPE **ENROLLMENT CATEGORY**

S1 Open Enrollment (from October 15 - December 31)

S2 Initial Eligibility (due to turning age 65, becoming Medicare eligible, etc.)

GENERAL

S3 Enrollment After Loss of Creditable Coverage

S4 Enrollment After Voluntary Termination of Creditable Coverage

S5 Initial Eligibility (due to turning age 65, becoming Medicare eligible, etc.)

S6 Change of Permanent Residence

S7 Institutionalized Individual (enrolled in a nursing home, skilled nursing facility, or institution)

S8 Currently receiving long-term care services

S9 Current Dual Eligible (you are currently receiving both Medicare and Medicaid)

S10 Current Receiving Long-Term Care (LTC)

S11 Current Receiving Long-Term Care (LTC)

ENROLLMENT CATEGORY

S12 Enrollment After Loss of Creditable Coverage

S13 Enrollment After Voluntary Termination of Creditable Coverage

S14 Initial Eligibility (due to turning age 65, becoming Medicare eligible, etc.)

S15 Change of Permanent Residence

S16 Institutionalized Individual (enrolled in a nursing home, skilled nursing facility, or institution)

S17 Currently receiving long-term care services

S18 Current Dual Eligible (you are currently receiving both Medicare and Medicaid)

S19 Current Receiving Long-Term Care (LTC)

S20 Current Receiving Long-Term Care (LTC)

PREScription DRUG COVERAGE

S21 Coverage of Part D

S22 Coverage of Part D

S23 Coverage of Part D

S24 Coverage of Part D

S25 Coverage of Part D

S26 Coverage of Part D

S27 Coverage of Part D

S28 Coverage of Part D

S29 Coverage of Part D

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S100 Coverage of Part D

UAMedicare Part D Prescription Drug Coverage UAMPDS

Use the New Part D Enrollment Period Qualification Form:

This form (S5755_07SEP) determines if an applicant qualifies under any special enrollment period (SEP) outside of the normal open enrollment period from November 15th to December 31st. Agents must complete this form and submit it with every Part D enrollment. Please note: This form is for Agent use only and should not be included with materials left for a potential applicant. If the Enrollment Period Qualification Form is not submitted, the enrollment form will be sent back to you for completion. Starting November 15, 2006, Agents may fax enrollment materials (both sides of application, please) to 469-525-4250.

UAMedicare Part D Prescription Drug Coverage Medicare R Prescription Drug Coverage S5755_07SEP

IT'S TIME TO REVIEW YOUR MEDICARE PRESCRIPTION DRUG COVERAGE

Are you spending too much on your prescription drug coverage? United American's Medicare Part D Prescription Drug coverage can help!

Order sample Agent Solicitation Packets:

Packets are available to order via the Part D Agent website. The packet includes all the forms and materials your prospect will need to successfully apply for Part D. Sample Agent packets for 2007 are available in early November.

What Do Donuts Have to Do with Drug Coverage?

Come to our Medicare Part D seminar and find out!

United American Insurance Company is sponsoring a FREE seminar about our Medicare Part D plan in your area. For more information or to register, contact your nearest UA Agent at:

UAMedicare Part D Prescription Drug Coverage UAMPDS

Part Open Mind.

Part Caring Heart.

Part Helping Hand.

Let us help you understand your Medicare Part D Prescription Drug Coverage options.

To learn more about United American Insurance Company's Part D plan, visit www.uamedicarepartd.com or contact your nearest UA Agent at:

UAMedicare Part D Prescription Drug Coverage UAMPDS

Prospect using Part D Print Ads :

We have available on the Part D Agent websites a variety of outstanding Part D print ads to help you generate activity and interest with Seniors. Go to the Agent Part D website at www.uamedicarepartd.com/agents and click on Downloads. You'll find a choice of two or three column formats, and some ads are available in both black and white and color.

Understanding 2007 Medicare Part D Prescription Drug Coverage

UAMedicare Part D Prescription Drug Coverage UAMPDS

Encourage Leads with Part D Brochures:

The brochure (S5755_07ADV) has been updated for 2007 and is a great piece to leave behind with prospects. It will answer many of their questions and provide an overall understanding of Part D.

IMPORTANT CUSTOMER PART D WEBSITES AND CONTACT NUMBERS:

United American:
www.uamedicarepartd.com
 Toll-free Customer Service
 (8 a.m. to 8 p.m. in your local time zone)
 1-866-524-4169
 Hearing impaired callers using TTY/TDD equipment please call 1-866-524-4170

Medicare: www.medicare.gov • **1-800-MEDICARE (1-800-633-4227)** 24 hours a day, 7 days a week.

UA Medicare Part D SILVER - For 2007, we have also developed UA Medicare Part D Silver. This plan follows the standard Medicare model, which means that beneficiaries will meet the annual deductible of \$265 before benefits begin. They'll pay 25% coinsurance on all drugs until they spend \$2,400 at which time they enter the coverage gap (donut hole). After that they must pay all costs out-of-pocket until they reach \$3,850. Catastrophic coverage kicks in and they'll be responsible for paying the greater of \$2.15 for generics and \$5.35 for all other drugs or 5%. CMS has assigned dual eligibles (persons eligible for both Medicare and Medicaid) to the UA Part D Silver plan. We will not actively market this plan. There is no commission paid on this plan.

2007 MEDICARE PART A

Part A is Hospital Insurance and covers costs associated with confinement in a hospital or skilled nursing facility.

WHEN YOU ARE HOSPITALIZED FOR:	MEDICARE COVERS	YOU PAY
1-60 DAYS	Most confinement costs <u>after</u> the required Medicare Deductible	\$992 DEDUCTIBLE
61-90 DAYS	Most confinement costs <u>after</u> the required Medicare Deductible	\$248 A DAY COPAYMENT as much as: \$7,440
91-150 DAYS	All eligible expenses, <u>after</u> patient pays a per-day copayment (These are Lifetime Reserve Days which may never be used again.)	\$496 A DAY COPAYMENT as much as: \$29,760
151 DAYS OR MORE	NOTHING	YOU PAY ALL COSTS
<p>SKILLED NURSING CONFINEMENT:</p> <p>When you are hospitalized for at least 3 days and enter a Medicare approved skilled nursing facility within 30 days after hospital discharge and are receiving skilled nursing care.</p>	All eligible expenses for the first 20 days; then all eligible expenses for days 21-100, <u>after</u> patient pays a per-day copayment	After 20 days \$124 A DAY COPAYMENT as much as: \$9,920

2007 MEDICARE PART B

Part B is Medical Insurance and covers physician services, outpatient care, tests, and supplies.

ON EXPENSES INCURRED FOR:	MEDICARE COVERS	YOU PAY \$131 ANNUAL DEDUCTIBLE PLUS
<p>MEDICAL EXPENSES Physicians' services for inpatient and outpatient medical/surgical services; physical/speech therapy, diagnostic tests</p>	80 percent of approved amount	20 percent of approved amount
<p>CLINICAL LABORATORY SERVICES Blood tests, urinalysis</p>	Generally 100 percent of approved amount	Nothing for services
<p>HOME HEALTHCARE Part-time or intermittent skilled care, home health aide services, durable medical supplies, and other services</p>	100 percent of approved amount; 80 percent of approved amount for durable medical equipment	Nothing for services; 20 percent of approved amount for durable medical equipment
<p>OUTPATIENT HOSPITAL TREATMENT Hospital services for the diagnosis or treatment of an illness or injury</p>	Medicare payment to hospital, based on outpatient procedure payment rates	Coinsurance based on outpatient payment rates
<p>BLOOD</p>	After first three pints of blood, 80 percent of approved amount	First three pints plus 20 percent of approved amount for additional pints



POST OFFICE BOX 8080
MCKINNEY, TEXAS 75070

On all Medicare-covered expenses, a doctor or other healthcare provider may agree to accept Medicare "assignment." This means the patient will not be required to pay any expense in excess of Medicare's "approved" charge. The patient pays only 20% of the "approved" charge not paid by Medicare.

Physicians who do not accept assignment of a Medicare claim are limited as to the amount they can charge for covered services. In 2007, the most a physician can charge for services covered by Medicare is 115% of the approved amount for non-participating physicians.