

V

VISION

Magazine

NOVEMBER 2006



Why Take
Chances?

You Can't Predict a Bad Hand...

be Prepared with UA's Critical Illness & Cancer Coverage...pg 6



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
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VISION

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ATTN: ALL AGENTS

The Consumer Form (3728), which is required with all under age 65 health plan sales, has been revised with a slightly new design.

The NAIC has updated "A Shoppers Guide to Long Term Care Insurance," (LTC-LP) for 2006.

Please place your orders for these revised and updated forms through Agent Supply.

SPECIAL REGULATORY UPDATE

The Telephone Consumer Protection Act of 1991 and the Federal Communication Commission's rules prohibit telephone calls to residences using an artificial or pre-recorded voice to deliver a message without the prior express consent of the called party, unless the call is for emergency purposes or is specifically exempted. The TCPA permits the Commission to exempt from this provision calls which are non-commercial and commercial calls which do not adversely affect the privacy rights of the called party and which do not transmit an unsolicited advertisement.

The Federal Trade Commission recently announced that pre-recorded telemarketing messages of any kind will only be allowed after January 2, 2007 with the express written consent of the recipient.

Given these circumstances, all Agents should avoid the use of pre-recorded messages of any kind, whether directed to prospects or existing customers. In addition, it is a violation of the law for an Agent to send an unsolicited fax advertisement to an individual or business. As a reminder, all advertising must be submitted to the Home Office for approval prior to use.

WELCOME KIT UPDATE

Due to a recent cost increase from our supplier for the blue policy jacket vinyl folder, we must slightly increase our price to Agents from 75 cents to 90 cents. The vinyl folder is found on the Agent Supply Order Form on page 3 under sales and Agent Training materials.

CORRECTION

In last month's Vision, Don Gibbs' milestone production of \$9,147,362 in the St. George Branch was mistakenly attributed to Jerry Prausa of the Reno Branch. Our apologies to both these outstanding Branch Managers. Way to go, Don!

INTEREST RATES SET

The Lifestyle Annuity new money interest rate for the month of November is 4.50 percent and for the month of December is 4.35 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.

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.

Good Sense Plan: Colorado, Delaware, Hawaii, Indiana, Kansas, Montana, Tennessee, Utah, and West Virginia with a new business effective date of December 1, 2006. Nebraska and North Carolina with a new business effective date of December 15, 2006.

FLEXGUARD: Alabama, Arizona, California, Colorado, Delaware, District of Columbia, Georgia, Iowa, Idaho, Indiana, Kentucky, Louisiana, Maryland, Michigan, Missouri, Montana, Nebraska, New Mexico, Ohio, Oklahoma, South Carolina, South Dakota, Tennessee, Texas, Utah, Wisconsin, and Wyoming. The new business effective date is January 1, 2007.

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

ATTN: ALL AGENTS NEW CASH VALUES FOR LIFE

All life insurers are required by law to implement new cash value schedules for life insurance policies by the end of 2006. The change is due to a prescribed regulatory decrease in the maximum non-forfeiture interest rate. United American will comply with the requirement by introducing a new assortment of life policies, including applications and rates, to replace our current offering.

HOLIDAY SCHEDULE

UA wishes you a holiday season filled with many blessings. The Home Office will be closed on Monday, December 25th and Tuesday, the 26th in observance of Christmas and on Monday, January 1st in observance of New Year's Day.



John Gore

Senior Vice President,
Branch Office Division

Prepare for the Unexpected!

Critical illness can strike at any time. Protection against critical illness is relatively new in the insurance industry, but its history is well established. It was developed by heart surgeon, Dr. Marius Barnard, brother of Dr. Christian Barnard, who performed the world's first heart transplant. Marius saw first hand the financial devastation that many of his patients faced after surviving heart attacks or by-pass surgeries. They survived the illness, but then faced financial death due to mounting medical bills and lack of financial resources. First introduced in South Africa in 1983, critical illness insurance gained followers in several other countries. It has become the most popular kind of insurance sold in the UK and is gaining popularity in the United States.

Today, nearly 75 percent of individuals who face a critical illness like cancer, heart attack, or stroke survive. But the price tag of survival can be very high. Medical bills can bankrupt families. The continuing cost of recovery can limit care, and lost income just adds to the financial stress. The worst part is the overwhelming likelihood of experiencing this type of illness. A 40-year-old has a 20 percent chance of having a heart attack, stroke, cancer or requiring dialysis sometime during the next twenty years. By age 50, the probability increases to 40 percent.* With statistics like these, it's important that every family in the United States have protection against the financial ruin a critical illness can bring. As members of United American's Branch Office Division, you have the potential to bring that protection to them.

According to *AdvisorToday.com*, a recent Harvard University study concluded half of all personal bankruptcies in the United States are triggered by a critical illness like cancer or stroke, but only seven percent are triggered by a death in the family. According to the same study, three fourths of Americans who file for medical bankruptcy had health insurance when struck by the critical illness. But the months of ongoing medical bills, the inability to return to work quickly or at all, and the resulting loss of income, left these folks with no where to turn. If the Harvard study is accurate, it appears our chances of being on firm financial footing are better if we're dead than alive.

That's a pretty sad state of affairs, but a real eye-opener for the insurance industry. We spend great amounts of time and energy selling life insurance, annuities, and final expense coverage to protect our customers from financial ruin in case of untimely death. Without a doubt, those coverages are important, but perhaps we need to think just as much about protecting our customers in the event of timely living.

In past decades, saving for a rainy day was as much a part of the American experience as fishing, baseball games and 4th of July parades. But, times have changed. Normal inflation doesn't keep pace with rising medical costs, increasing insurance premiums, and through-the-roof energy costs. The average family can barely make it from paycheck to paycheck. There's nothing left for a rainy day, much less for a serious illness.

Based on statistics from the American Cancer Society, the American Heart Association and the American Stroke Association, there are thousands of individuals across the U.S. who need this coverage. Cardiovascular disease is the number one cause of death, and cancer is the number two cause of death in this country. It's very clear we should routinely offer critical illness and cancer coverage to all our customers. According to the ACS, over three-fourths of all cancers are diagnosed in persons 55 and older. Every Med-Supp presentation we give to younger Seniors should be accompanied by one for **First Cash Cancer** and critical illness.

United American's **First Cash Cancer Plan** or **HealthGuard**, our critical illness policy, can help make an important difference for someone dealing with a critical illness. Your customer can apply for up to \$50,000 coverage on each policy. Should cancer or critical illness strike, insureds receive the financial benefits they need to help deal with the many expenses they face. Benefits are not tied to any type of treatment for the illness, which means the insured can spend the cash in whatever way he or she wants or needs.

Be sure to review our center spread this month on **HealthGuard** and the **First Cash Cancer Plan**. If you haven't actively been offering these to your customers, please reconsider for both your customer's benefit and your own. Death of the breadwinner can ruin a family's financial future, but surviving a critical illness can too. Both these policies can help families avoid the financial devastation that can result from catastrophic illnesses.

Give a strong end-of-year push with **HealthGuard** and the **First Cash Cancer Plan**, and we'll see you in Hollywood!

*<http://asset-aid.com/critical-illness-probability.html>

Is Worksite Marketing for You?

It SHOULD Be!!!

Do you realize that one of the best tax savings plans allowed by the IRS is sitting in the palm of your hand? Did you know that by sharing this plan with employers in your area, you could **increase your annual income by as much as 20%**? Better yet, did you realize that by informing business owners of this plan, you could provide coverage to people who would have otherwise gone uninsured? If you could share this information with others, do you think they would be interested in talking with you? Of course they would. So what is this great unknown concept? It's Section 125!

Section 125 was passed into law by the IRS in 1978, but it is perhaps one of the most underutilized plans in working America. So why the big push? Let's break it down for you. According to LIMRA, **50% of all insurance sold in the United States is sold at the worksite**. In fact, it is projected that 3 years from now, worksite sales will account for approximately 40% of all United American sales figures. Finally, worksite is considered the last untapped market in the industry, and has seen continued growth over the past 7 years.

So how do you break into this growing market? By learning how to work the market in your branch and prospecting! The **most profitable market for worksite sales is in companies with 10 to 100 employees**. Lucky for you, that encompasses over 82% of all U.S. companies! That's approximately 47 million businesses nationwide! So how do you prospect for Section 125? It couldn't be easier. Just drive down the street, and you're bound to fill your pipeline.

Once you're in, how can you best present worksite to employers? It's all about benefits and potential tax savings; the insurance sells itself. This approach creates a "win-win-win" situation, so your confidence level is at an all-time high:

Win #1

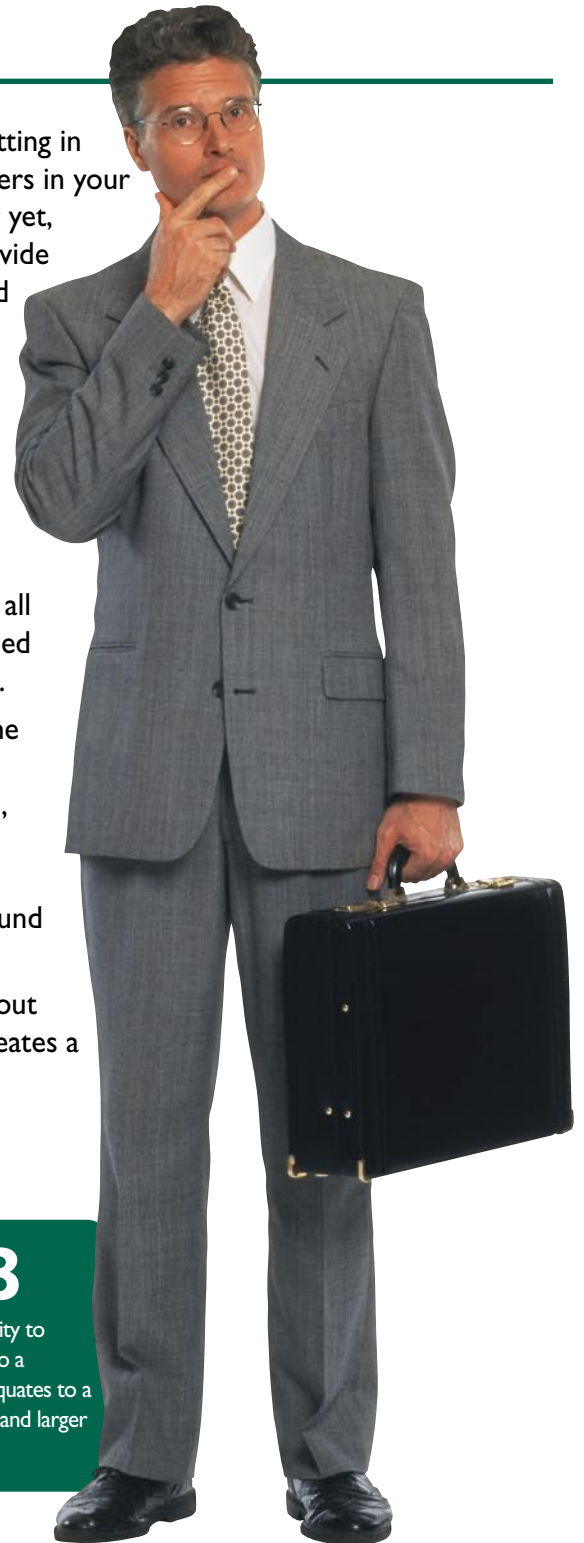
Employers can provide access to insurance for employees on a pre-tax basis. This means the employer will pay less to the government in taxes!

Win #2

Employees' premiums are deducted on a pre-tax basis. This results in less taxable income for the employees and more dollars to take home.

Win #3

You have the opportunity to present our products to a larger audience. This equates to a higher number of apps and larger commissions for you!





From the Desk of...

Dennis J. Rand, LLIF

Vice President of Voluntary Benefits

What's the Best Approach to Selling Section 125?

• Consider Everyone Candidates for Section 125:

Agents sometimes ask me what they can offer an employer who already has a major medical plan in place. **Does one say “thank you” and walk out? Absolutely not! It’s critical you understand the appropriate response to give the employer and put that response into regular practice. Respond, “That’s great, but are your individual employees contributing to the plan on a pre-tax or after-tax basis?”** At that point, the employer will generally respond, **“What do you mean?”** Now you pull out the employer’s brochure and walk the employer through the advantages of taking his or her current plan and putting it under UA at Work’s Section 125 Plan.

However, the employer may respond, **“Yes, we do have a major medical plan for our employees, and we have installed a Section 125 as well.”** Your response should then be, **“That’s great. You’re just the kind of employer with whom I like to do business. By providing your employees a Section 125 plan, you’re allowing them to purchase their insurance on a pre-tax basis, and I’m sure you’re saving a significant amount on your payroll taxes as well.”**

• The Key to Success is Fact-Finding:

But, don’t stop there. Your next goal is to determine the employer’s current benefit structure, what is currently contained in his or her Section 125 Plan, and if there are any additional areas they could include. They may only have the employees’ health plan currently under it. **If no life insurance is in their current plan, continue with, “Do you realize that for many individuals the only life insurance protection they have is the small amount provided by their employers? United American has a policy that has been very popular with individual employees because they can purchase it during their working lifetime and have life insurance protection for the rest of their lives. Based on IRS regulations, individual employees can purchase up to \$50,000 in life coverage under your existing Section 125 plan. They can purchase it on a pre-tax basis, and you will be able to save even more on your payroll taxes.”**

By using the employee’s need for life insurance, you may open a whole new area to explore with the employer. Use this simple approach and you will have great success in 2007.

So what’s the bottom line when it comes to selling worksite?

Use this simple acronym to keep you motivated:

Always

Be

Prospecting!!



For additional information about worksite sales, contact your Branch Manager.

HealthGuard & First Cash Cancer Plan... Better than a Royal Flush when Serious Illness Strikes!

Some types of cardiovascular diseases (CVD) and cancer can be prevented, and you should always encourage the value of a healthy lifestyle with your customers and prospects. Your job as a UA Agent, however, is to help them get financial protection in place before a critical illness or cancer strikes. Statistics indicate that CVD claims more lives each year than the next four leading causes of death combined (cancer, chronic respiratory diseases, accidents and diabetes). But, UA's **HealthGuard**, our critical illness policy, and **First Cash Cancer Plan** can lighten the policyholder's financial burdens and allow the policyholder to concentrate his or her energy on getting well. Benefits can go toward paying outstanding medical bills, deductibles, the monthly mortgage, routine household expenses, college tuition – whatever financial obligations the policyholder needs to meet. In addition, because these policies have no restrictions on how benefits are spent, both return to policyholders a sense of control at a time when most patients feel they have none. When dealing with a devastating illness like a stroke or cancer, that's a very important added benefit.



According to The American Heart Association and the American Stroke Association:

1. One in three adults has some form of cardiovascular disease.
2. One in every 2.7 deaths in the U.S. results from CVD.
3. Someone in the U.S. suffers a stroke every 45 seconds.
4. Each year approximately 700,000 people experience a new or recurrent stroke.
5. If all forms of major CVD were eliminated, the average U.S. life expectancy would increase by almost seven years.

HEALTHGUARD*

HealthGuard (CILS), United American's critical illness policy, can help ease financial worries while recovering from a critical illness. The policy pays a one-time, lump-sum payment directly to the policyholder upon written satisfactory proof (by a licensed physician in the U.S.) of first diagnosis of a covered critical illness. Policyholders have complete control of the funds received, and there are no restrictions on how they use the benefits. They can pay household expenses, medical bills, buy a new car or put money away for a child's education – it's up to them!

Policy Features:

- HealthGuard covers major organ transplant, heart attack, stroke, total loss of eyesight, total loss of hearing, and end-stage renal failure.
- Policyholders can choose from a lump-sum benefit amount of \$10,000, \$20,000, \$30,000, \$40,000 or \$50,000.
- The policy is available for issue ages 18-64.
- HealthGuard pays in addition to any other life, medical or hospital coverage that is in place.
- The policy is guaranteed renewable until age 80 or until the policyholder's one-time cash benefit is paid.
- The benefit amount reduces by 50% at age 65.



FIRST CASH CANCER PLAN*

First Cash Cancer Plan (CANLS2) provides valuable protection for your customer. The policy will pay up to \$50,000 cash upon written satisfactory proof (by a licensed physician in the U.S.) of first diagnosis of cancer. The policyholder receives the total cash benefit due, whether or not he or she is hospitalized or receives any type of cancer treatment. The money is paid directly to the policyholder. The cash can be used for anything – experimental cancer treatments, childcare expenses, deductibles for other insurance, income replacement, car payments, or a longed for vacation in the mountains of Colorado. The choice is totally theirs.

Policy Features:

- *First Cash Cancer Plan* pays lump-sum benefit amounts from \$10,000 to \$50,000, in addition to any other existing health insurance.
- Only the health of the proposed insured is considered for eligibility. Family history is not an issue and no physical exam is required.
- The policy is available for issue ages 0-69.
- There is no benefit reduction at age 65.

- Premiums are issue-age, so there is no premium increase due to aging. Premiums only increase on a class basis by state.
- The policy is guaranteed renewable until the policyholder's one-time cash benefit is paid.
- There is only a 30-day waiting period before eligibility kicks in for payment of benefits.

According to the American Cancer Society:

1. Cancer is the second most common cause of death in the United States and accounts for one in every four deaths.
2. The ACS estimates that this year 170,000 cancer deaths will result from tobacco use. Scientific research also indicates that one-third of cancer deaths are related to nutrition, physical inactivity and overweight or obesity and could be avoided by lifestyle changes.
3. In the U.S., men have slightly less than a one in two lifetime risk of developing cancer.
4. In the U.S., women have slightly more than a one in three chance of developing cancer.
5. If all forms of cancer were eliminated, the average life expectancy in the U.S. would increase by three years.



Sources: American Heart Association and American Stroke Association, Heart Disease and Stroke Statistics – 2006. American Cancer Society, Cancer Facts & Figures 2006

* Some limitations and exclusions apply. Plans and benefits vary by state. Refer to the Agent Manual F4303 for supplemental health plan combination rules and limits.

Selling to Seniors? Try this 10 Step Program!

Sales are sales, right? Well, yes...and no. There are many generalizations one can make about successful selling. Yet, each particular market segment you target presents its own unique set of differences. But, it's the differences that keep it fun and challenging! Want your Senior sales to flow smoothly? Keep these points in mind:



- Regardless of their age, don't ever think of Seniors as old. They certainly don't. Besides, to an eighty-five year old, seventy is pretty young. So it's all relative anyway!
- Don't use pressure tactics or try to scare someone into buying. You'll find yourself out the door as soon as you get in.
- Treat Seniors as equals. They really aren't that different from the rest of us. They value independence, personal growth and self-expression just as most of us do.
- Never talk down to Seniors. They're not dumb! In fact, in addition to having more life experience, they may be smarter and richer than you.
- Seniors tend to be skeptical, so don't try to pull the wool over their eyes. Be honest, open and forthright in your relationships with them. And remember, if you provide them with credible testimonials from fellow Seniors, they'll be very receptive to what you have to offer.
- Seniors are as diverse in abilities, interests and attitudes as any market segment. Know to whom you're selling and adjust your approach accordingly.
- Many Seniors fear being "taken," perhaps because of a bad past experience. Guarantees are very important to them, but it's best to avoid making promises. However, if you do promise anything, be certain you can back it up and deliver.
- Seniors generally are conservative consumers. Many grew up in the years following the Depression and may have watched their parents experience its after-effects throughout their lives. They aren't especially interested in razzle-dazzle. They prefer simplicity and a straightforward approach.
- Seniors want print advertising to look like print advertising. They don't need fancy fonts. (All those little font feet running around just get in the way!) Type should be at least 12 point with lots of leading.
- Appreciate your Senior customers for their wit, intelligence, charm and warmth. If you're lucky, some day you'll be one of them!

Source: www.suddenlysenior.com

Important News Regarding the UA Partners® Program!

UA Partners is a terrific way to offer additional optional non-insurance discount services and savings to our customers through access to an extensive provider network.

Effective immediately, customers who purchase a UA Partners membership in addition to a FLEXGUARD policy will be given access to an even larger number of providers from which to choose.

CLIENTS:

• NEW WEBSITE AND ID CARD DESIGN!

New FLEXGUARD customers can access the list of network providers by logging on to:

<http://www.providerlocator.com/uap>

They can do this by entering their UA Partners member number found on their newly designed UAP ID card. Existing customers will have access to the same expanded network with the old card.

• NEW INFORMATION BOOKLET!

Customers will be receiving a newly updated version of the Provider Network Information booklet to answer questions about the product.

AGENT - <http://www.providerlocator.com>

To clarify, members of UA Partners who do not have the FLEXGUARD product will still receive the same discounts they are used to by using the established provider network.

AGENTS:

Agents can also look up the list of providers by logging on to the Agent site at:

<http://www.providerlocator.com>.

If an Agent wants to access a provider list for a FLEXGUARD customer, your access code is UAPFLEX. To find providers for customers with other health policies, your access code is UAP.

For more information regarding this important update, contact Branch Services.

The screenshot shows the UA Partners website interface. At the top, there is a navigation bar with "MEMBERS" and "AGENTS" tabs. Below this, there is a search area with "Access Code:" and "Location:" fields. The main content area is titled "UA Partners" and includes the following information:

- Sponsored by United American Insurance Company
- Doctors & Hospitals: To check UA Partners Provider Network, member eligibility and patient responsibility, call 888-203-6627
- Members: visit www.ProviderLocator.com/uap
- Participating Discount Health Services:
 - Caremark Rx Prescription Benefit Services
 - UNI-CARE Dental
 - Coast to Coast Vision
 - UNI-CARE Chiropractic
 - National Ear Care Plan
- www.FindBestBenefits.com

Below this information, there is a form for a customer to enter their details:

Name: Paula C. Holder
Rx Group Number: J2061001
I.D. Number: []
Effective Date: 06-23-2005
UAPC-02 1006 THIS IS NOT INSURANCE

At the bottom, there is a "SUBMIT INFORMATION" button and a note: "If you have questions about other UA Partners discount health services - including prescriptions, dental, hearing, vision, or chiropractic - call 800-300-0374. Visit United American's eService Center to service your health policy."

The image shows two documents. The top document is the "PROVIDER NETWORK INFORMATION" booklet, which features a photo of a family (a man, a woman, and two children) and the UA Partners logo. The bottom document is the new UA Partners ID card, which includes the following information:

- UA Partners logo
- Sponsored by United American Insurance Company
- PROVIDING ACCESS TO A NETWORK OF OVER 300,000 PHYSICIANS AND 4,100 HOSPITALS ACROSS THE COUNTRY.
- UA Partners logo
- Doctors & Hospitals: To check UA Partners Provider Network, member eligibility and patient responsibility, call 888-203-6627
- Members: visit www.ProviderLocator.com/uap
- Participating Discount Health Services:
 - Caremark Rx Prescription Benefit Services
 - UNI-CARE Dental
 - Coast to Coast Vision
 - UNI-CARE Chiropractic
 - National Ear Care Plan
- www.FindBestBenefits.com

Below this information, there is a form for a customer to enter their details:

Name: Paula C. Holder
Rx Group Number: J2061001
I.D. Number: 123456789
Effective Date: 06-23-2005
UAPC-02 1008 THIS IS NOT INSURANCE

CUSTOMER - <http://www.providerlocator.com/uap>