

# USBA



M E M B E R B R I E F I N G

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A NEWSLETTER FOR MEMBERS OF THE UNIFORMED SERVICES BENEFIT ASSOCIATION<sup>SM</sup>

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## Military connections offer unique advantages

As one of the 30 million Americans who are active duty or now have their military experience behind them, you are connected to a wide array of valuable benefits, discounts and helpful resources. Listed on this page – in no special order – is a small fraction of what’s out there for both active duty and former military as well as details on contact information. The few mentions noted below are not an endorsement, however, but just an overview of various “perks” available to those who have answered the call to serve our country.

### Space A Travel:

Space Available Flight, better known as Space A or military hops, is a unique privilege provided to servicemembers, retirees and their families. Under the Space-Available (Space A) program, eligible passengers can fill unused seats on DoD-owned or controlled aircraft once all the space-required (duty) passengers and cargo have been accommodated. To learn more, check out these websites: [www.spacea.info](http://www.spacea.info) or [www.glue.umd.edu/~oard/spacea/resources.html](http://www.glue.umd.edu/~oard/spacea/resources.html).



**Education Benefits:** Servicemembers and veterans are eligible for financial aid and educational programs, including: The Montgomery GI Bill, the Reserve GI Bill for Reserve and National Guard members, and the Veterans Education Assistance Program (VEAP) for those who enlisted between 1977 and 1985. There is also a new education benefit available to certain individuals who were activated on or after September 11, 2001: The Reserve Educational Assistance Program (REAP). For the latest information, head to [www.gibill.va.gov/](http://www.gibill.va.gov/).

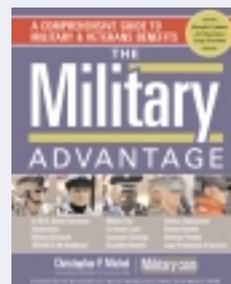
**Military and Veteran Discounts:** Thanks to the recent wave of patriotism that has swept the country, there are businesses and retailers showing their support for military personnel by offering discounts on food, car rentals, long-distance telephone service, gifts, airline tickets, to name a few. To keep up with the latest discounts, check out these websites: [www.military.com](http://www.military.com), [www.militarynow.com](http://www.militarynow.com), or [www.militaryshoppers.com](http://www.militaryshoppers.com).

**VA Home Loans:** The Veterans Administration can help you purchase a home with no down payment or refinance an existing loan. Their program can give you the opportunity to get a mortgage with a competitive interest rate as well as

lower costs at closing. The VA does not, however, give you the actual loan for your home; rather, they simply guarantee a loan made to you by private lenders (banks, savings and loans, or mortgage companies). For details, see [www.homeloans.va.gov](http://www.homeloans.va.gov).

**Military OneSource:** Military OneSource is a 24-hour, 7-days-a-week, toll-free information and referral telephone service available worldwide to active duty, Reserve, and National Guard military members and their families; and to deployed civilians and their families. Military OneSource provides information ranging from everyday concerns to deployment-related issues. You can get in touch with them via their website – [www.militaryonesource.com](http://www.militaryonesource.com) – or call them at 1-800-342-9647.

### They wrote the book on military perks!



**The Military Advantage: A Comprehensive Guide to Your Military & Veterans Benefits** by Christopher P. Michel (Simon & Schuster Trade Paperback: January 2006; \$20.00). This plain-English guide is a handy reference of insider tips, little known benefits,

shortcuts and answers to frequently asked questions. It can be purchased through [www.amazon.com](http://www.amazon.com).

**The 2006 Retired Military Personnel Handbook** (Armed Forces News, \$9.95). Updated every year, this book is designed to guide the reader through every aspect of retirement. It can be purchased through [www.armedforcesnews.com](http://www.armedforcesnews.com) or calling 1-888-333-9335.

## PRESIDENT'S PERSPECTIVE

### A special bond connects us



*Jerry V. Patton  
Colonel, USAF (Ret.)  
President/CEO*

Like you, I am proud of having had the opportunity to serve my country. Whether it is as a part of the military or working for the government, we all have a background that connects us to so many things on various levels.

No matter in which chapter of America’s history we played out our role, we all can say we’ve made a contribution to an era, no matter how small it may seem to us. We are also bonded by a sense of patriotism and pride that we’ve demonstrated time and again just by “showing up” and doing what needs to be done.

This connection also plays a role in your USBA membership. As you know, our members are Active Duty and Retired Military families, as well as Honorably Discharged Veterans, IRR, National Guard and Reserves. As a non-profit organization, we are responsible for over 200,000 insured lives, making us one of the largest military associations offering

*Our “power of one” can be a plus ...*

*(continued inside)*

# The underinsurance gap:



# Where do YOU stand?

## Life insurance needs worksheet

This worksheet can help you get a general sense of how much life insurance you need to protect your family. However, you should consult with an insurance agent or other financial advisor before buying any insurance products. The worksheet assumes you died today.

### 44% of all households either do not own life insurance... or believe they need more

A study, conducted by the Life Insurance Marketing & Research Association (LIMRA), reveals even people who currently own life insurance are at risk for not having appropriate coverage. According to LIMRA, 44% of all U.S. households (48 million), either do not own life insurance and believe they should, or own life insurance and believe they need more. Among those that already own some life insurance, 40% believe they don't have enough. Even one third of more affluent households (\$100,000 or more household income) say they are not adequately insured.

LIMRA says part of the problem is that these households were found on average to own only enough life insurance to replace their income for 3.6 years. (LIMRA's recommended rule of thumb is 5.7 years of income.) This represents a \$200,000 coverage gap. The issue is most acute for the middle-income market – those 78 million people earning between \$20,000 and \$75,000 a year, says LIMRA.

According to USBA's Vice President of Agency Operations and Market Development, Robert Jesso, it is very easy for even USBA members to fall into the underinsurance gap if they are not vigilant. "Because our financial needs change through different life phases, our members run the risk of underestimating their needs," he explains. "Several key areas that consistently impact coverage levels include mortgage and car payments, college tuition, credit card debt, child or elder care expenses as well as how much income will need replacing – and for how long."

Bottom line, Jesso says USBA members should regularly review their current coverage to be sure it is keeping up with changing lifestyles and needs. To do this, they can use the Insurance Needs Worksheet found on this page and provided by the Life and Health Insurance Foundation for Education (LIFE) or visit their website at [www.life-line.org](http://www.life-line.org) to use one of their online calculators. Jesso encourages taking advantage of LIFE's educational tools. "I can't emphasize enough how important it is to stay on top of your insurance needs," he adds. "If someone depends on you, it is imperative to ensure they will be taken care of if you were no longer here."

## Leaving the Service?

### Why you can't afford to drop your USBA coverage ...

If you're getting ready to enjoy life after the military, keep in mind some of the decisions you made while in the service will still be important after you separate or retire. Letting your USBA policy lapse or canceling should be the last thing on your mind as you make your list of things to do in civilian life. Here's why:

1) Even if you have life insurance coverage through your next place of employment, are you certain it will be enough? Keep in mind no job is "bulletproof." The unexpected does happen and you might be left without insurance and by then the price for coverage could be significantly more expensive.

2) If you choose to get new coverage later you will likely pay

#### Income

1. Total annual income your family would need if you died today  
What your family needs, before taxes, to maintain its current standard of living (Typically between 60% - 75% of total income) \$ \_\_\_\_\_
2. Annual income your family would receive from other sources  
Spouse's earnings (Social Security may be available) \$ \_\_\_\_\_
3. Income to be replaced - Subtract line 2 from line 1 \$ \_\_\_\_\_
4. Capital needed for income - Multiply line 3 by appropriate factor in Table A \$ \_\_\_\_\_

#### Expenses

5. Funeral and other final expenses \$ \_\_\_\_\_  
Typically the greater of \$15,000 or 4% of your estate
6. Mortgage and other outstanding debts \$ \_\_\_\_\_  
Include mortgage balance, credit card debt, car loans, etc.
7. College costs for each child, in today's dollars \$ \_\_\_\_\_  
2004-2005 average 4-year costs; Private \$118,602; Public \$48,938<sup>1</sup>
8. Capital needed for college - Multiply line 7 by the appropriate factor in Table B \$ \_\_\_\_\_
9. Total capital required - Add lines 4, 5, 6 and 8 \$ \_\_\_\_\_

#### Assets

10. Savings and investments \$ \_\_\_\_\_  
Bank accounts, money market accounts, CDs, stocks, bonds, mutual funds, etc.
11. Retirement savings \$ \_\_\_\_\_  
IRAs, 401(k)s, Keoghs, pension and profit sharing plans
12. Present amount of life insurance \$ \_\_\_\_\_  
Include group insurance as well as insurance purchased on your own
13. Total income producing assets - Add lines 10, 11 and 12 \$ \_\_\_\_\_
14. Life insurance needed - Subtract line 13 from line 9 \$ \_\_\_\_\_

Table A	
Years income needed	Factor
10	8.8
15	12.4
20	15.4
25	18.1
30	20.4
35	22.4
40	24.1

Table B	
Years before college	Factor
5	.85
10	.74
15	.64
20	.56

<sup>1</sup>This Worksheet reprinted with permission of the LIFE Foundation. © LIFE 2006. All rights reserved.

MORE for the same coverage. That's because a deciding factor in premium rates is age. The older you are at the time of issue, the higher your rate will be.

It's important to check out your alternatives. Now that you're leaving the service, your insurance needs might have changed, requiring an adjustment in your coverage. Or there might be better budgeting options. For instance, if you pay a semi-annual or annual premium, perhaps it would be easier on your budget to make quarterly payments or perhaps automatic monthly bank deductions.

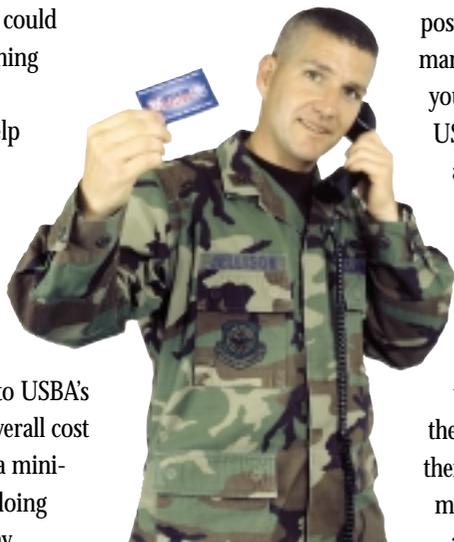
USBA does care about its members and welcomes the opportunity to explore options with you. Call us at 1-800-821-7912.

# Answer the call for new members and put soldiers in touch with loved ones

Now anyone who could benefit from learning about USBA and its products? You can help USBA's membership grow by passing our product brochures on to your friends.

Not only will you be contributing to USBA's efforts to keep our overall cost of doing business at a minimum, you'll also be doing your part for a worthy cause. That's because we'll show our appreciation for your effort by making a donation to Veterans of Foreign Wars (VFW) Operation Uplink free phone card program for deployed servicemembers and hospitalized veterans.

Here's how it works: Simply use the attached



*Veterans of Foreign Wars Operation Uplink free phone card program for deployed servicemembers and hospitalized veterans.*



postage-paid card to tell us how many brochures you'd like sent to you and for which product. When USBA receives the card, we'll make a donation to Operation Uplink in your name. (You'll receive confirmation from Operation Uplink in the mail.)

Operation Uplink uses contributions from supporters to purchase phone cards and put them in the hands of those who need them the most when they need them most. Troops defending freedom around the world. Bedridden veterans in hospitals. Young GIs away from home for the first

time. Your efforts to help us find great members just like you will in turn provide support to this organization through the donation. To request brochures to pass on to

others who may want to know about USBA, simply use the attached card. Or call us at 1-800-821-7912.

## Term? Perm?

## Think ... Generation 3<sup>SM</sup> Blended Plan!

At USBA, there's another answer to the Term vs. Perm question when it comes to determining whether term or whole life (also known as permanent) insurance is the best choice for your needs. Generation 3<sup>SM</sup> Blended Plan offers you the best of both worlds – the lower premiums of a term policy and the security of a whole life plan.

Generation 3 is a combination policy blending whole life, decreasing term and paid up additional life insurance to offer coverage at an affordable price. It offers level coverage (the benefit amount doesn't decrease), with premiums (although not guaranteed) designed to remain level for life.

**Here's how it works:** You choose the amount of coverage that best meets your needs... from \$25,000 to \$400,000. Coverage is issued in \$1,000 increments. At the beginning, the policy typically comprises 95%-96% decreasing term insurance, with 4%-5% whole life coverage. When dividends are declared, they are used to purchase paid-up whole life additions. As the whole life portion increases, the term insurance decreases. In the event a dividend is not declared, the term coverage will not decrease for that year. Thus, your overall death benefit doesn't change, it remains level.

Generation 3 can give you the advantages of permanent lifetime protection at a fraction of the cost of a traditional whole life policy. And later, when you're older, the cost can be substantially less than term coverage. For more information, contact your USBA agent, call us directly at 1-800-821-7912 or request a free Information Kit via the pre-paid postcard attached to this newsletter.



Uniformed Services Benefit Association<sup>SM</sup>

## PRESIDENT'S PERSPECTIVE

*(continued from front)*

life insurance plans to families like yours.

This special bond is what makes USBA's affordable group life insurance plans possible. And it is what attracts companies such as New York Life, MetLife Auto & Home, MBNA and Hertz to us. Our connection to each other makes more things possible for each of us than what we would have accomplished on our own.

So, there *is* strength in numbers. That's why USBA is asking for your help finding other members like you. Make sure to take note of our story detailing how member referrals can turn into donations for Operation Uplink – a charitable organization that puts phone cards into the hands of soldiers away from home.

Building our membership is just one of the ways our "power of one" can be a plus for you. Take a close look at everything USBA offers from innovative life insurance plans to services designed to make your life easier like our I.D. Theft Assist product. In short, every time you take advantage of one of our special offerings, you're helping us to keep costs down for everyone. And you'll be enjoying some unique pricing in return.

Connections. It's all about connections. What they bring. What they can do. What they mean to us. I am very pleased to be a part of an organization that is focused on such a unique group of members. It's my hope you share that feeling.

Jerry V. Patton  
Colonel USAF (Ret.)  
President/CEO

### Receive USBA's newsletter via email!

Would you like to receive future issues of USBA Member Briefing in your Email Inbox rather than your "Snail Mail" box? It's easy to do. Just go to [www.usba.com/BriefingsByEmail](http://www.usba.com/BriefingsByEmail) and give us your email address. Thanks for helping us keep postage costs down.

# What's Happening at USBA?

## Dietrich Scholarship recipient for 2006 announced.



Miss Whitney A. Patterson of Yokota Air Base, Japan will be attending Washington State University Honors College and majoring in Chemistry/Electrical Engineering. She's the daughter of USBA

member Lt Col Wayne Patterson, and was selected on the basis of academic achievement, leadership accomplishments and participation in community activities. The scholarship commemorates former USBA Executive Director and President, the late Maj Gen William A. Dietrich, USAF, and is awarded every year to a child of a USBA member in good standing who's a graduating high school senior.

**New USBA 10 year level term Product in the works!** Details are still being finalized on a new USBA group life insurance product expected to debut this Summer. "It's a 10 year level term product with very competitive rates," explains Senior Vice President of Administration & Member Services, Connie Markovich, FLMI, ACS.

While the rates are not guaranteed, they are expected to remain level for 10 years and coverage is available in amounts from \$25,000 to \$500,000 (in \$1,000 increments).

While Markovich says the rates are not yet ready to be released, she expects them to get very favorable reception. "10 year level term product is cost-effective and affordable," she explains, adding that preferred non-smoker rates will also be available. Markovich says USBA members who want to be among the first to learn more about this product when information is available should fill out and mail the card attached to this newsletter. "We'll get in touch with them as soon as the product is officially available," she says.

## Checkmatic has a new name.

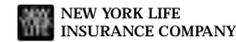
USBA's electronic fund transfer program, formerly called Checkmatic, has a new name. USBA's EZ Pay will work exactly the same as Checkmatic. "Those who are currently using Checkmatic for paying their premiums need not do anything - it will be business as usual," explains Chief Financial Officer, Colonel Robin Snyder, USAF (Ret.). "We do hope, however,



more members will see the advantage of having premium payments automatically debited from

their account and use this opportunity to sign up for USBA EZ Pay." Snyder says setting up an automatic payment program is a simple and easy way to eliminate payment hassles. USBA members who want to switch from paper bills to automatic payments can visit [www.usba.com](http://www.usba.com) and download a USBA EZ Pay form, fill it out and mail it to us.

All of USBA's Group Life Insurance Plans are underwritten by:



51 Madison Avenue  
New York, New York 10010 (Policy Form GMR)

## MEMBER BRIEFING

Uniformed Services Benefit Association  
P.O. Box 25956  
Overland Park, KS 66225-0956

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**Please send your comments and suggestions to the Newsletter Editor at the address above or email: [kvogan@usba.com](mailto:kvogan@usba.com). Or visit our website: [www.usba.com](http://www.usba.com).**

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**Check out our USBA Member Connection Campaign! -- Details Inside!**

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