

Remember

To protect your privacy, USBA provides information ONLY to the owner of a policy. When a policy owner calls us for information, we always ask a few questions to confirm the identity of the caller.

USBA Privacy Policy



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

Summer/Fall 2004 A NEWSLETTER FOR MEMBERS OF THE UNIFORMED SERVICES BENEFIT ASSOCIATION Vol. 41, Issue 3

In This Issue

■ **Product Spotlight:**
Children's Insurance

■ **Are you at risk**
for identity theft?

■ **Baby Boomer Crisis**

Real or Hoax?

In the world of e-mail, we've come to accept that pictures and stories can be faked, mismatched or misunderstood. Perhaps you have seen these photos which commemorate soldiers' sacrifices during wartime and were skeptical? Here's the scoop:



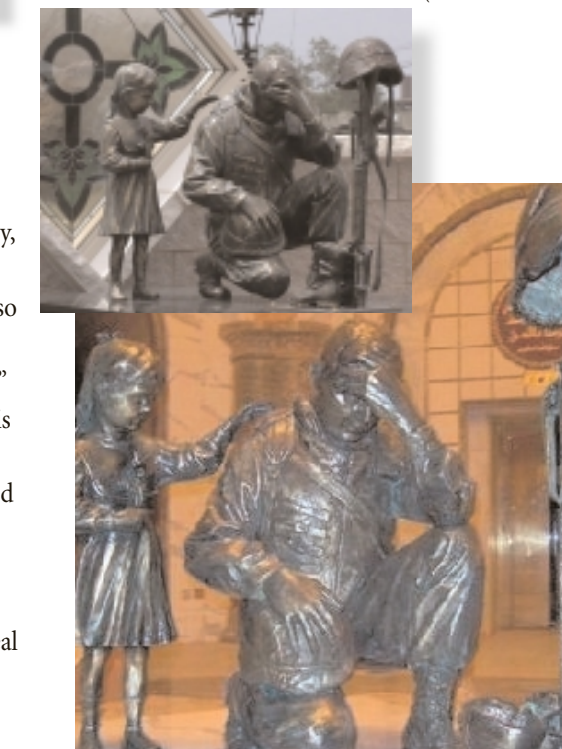
A sand sculpture representing soldiers landing on a beach sits in Vierville-sur-mer, which was known as Omaha beach on D-Day. (Photo Credit: DefenseLink News)

D-Day Sand Sculpture

eRumor: A sand sculpture of troops disembarking from a landing craft during the June 6, 1944, D-Day invasion of the beaches of Normandy, France stands is displayed on Omaha beach, a key spot of that infamous battle.

Real or Fake? It's real. The 30-by-30 foot sand sculpture, "Sands of Remembrance", was initiated by the

(continued inside)



The sculpture, seen here in the familiar ePhoto, was moved from Tikrit, Iraq to its permanent home at Fort Hood, Texas this past Spring. (Inset Photo Credit: Mollie Miller)

Iraqi Memorial Statue

eRumor: Iraqi artist Khalid Alussy, who was forced to create statues for Saddam Hussein during his reign, also fashioned the pair of bronze statues shown here because he was "grateful" to American soldiers. The sculpture is made of bronze obtained by melting down statues of Saddam Hussein, and is intended to memorialize members of the U.S. Army's 4th Infantry Division slain in Iraq.

Real or Fake? The memorial is real but the story is only half true.

It is not true, however, that the artist created the work because he is "grateful" to American soldiers.

(continued inside)

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Dietrich Scholarship Recipient Allison Hein and her parents, Steve Hein and Debra Moy.

2004 Dietrich Scholarship Winner Announced

This year's Dietrich Memorial Scholarship award winner is Allison Hein, of Sagle Idaho. USBA's representative, Human Resources Vice President Ron Culver, presented the award to Allison at Sandpoint High School's senior awards ceremony to the applause of the entire assembly.

Allison will attend Florida State University this Fall, pursuing science and math majors.



Senator John McCain makes opening remarks at recent awards presentation.

MEMBER BRIEFING

Uniformed Services Benefit Association
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Published periodically for USBA members.
Please send your comments and suggestions to the Newsletter Editor at the address above or email: kvogan@usba.com. Or visit our Website: www.usba.com.

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How USBA Safeguards Your Privacy

The Uniformed Services Benefit Association (USBA) knows you want us to keep your personal information private and secure. We're committed to doing this and have policies in place to protect your privacy. We've built our business with integrity, honesty, and trust. And we'll protect your privacy with those values in mind.

You are receiving this notice because you obtained a financial product or service from us or our affiliate, USBA Services, Inc., for personal, family, or household purposes. The provisions of this apply to both current customers and former customers, unless we state otherwise.

Our Privacy Pledge

We offer group life insurance through USBA and other insurance and financial services through USBA Services, Inc. (Our wholly owned subsidiary). In order to provide these services, we collect personal information about you. Some of this is called "nonpublic personal information," which includes personally identifiable information that is not publicly available, that is provided by you, obtained by us for nonaffiliated third parties, or that results from your transactions with us. As we collect and maintain this information, we pledge to:

- Collect only information needed to deliver superior products and services.
- Control access to your information, both in the office and on the Internet.
- Keep your health information private and NEVER disclose it to nonaffiliated third parties for marketing purposes.
- Require strict standards from nonaffiliated providers that help us process transactions.
- Keep your personal information confidential, and let

you choose whether or not you are mailed marketing offers from nonaffiliated providers with whom we do business.

- Remind you of our policy at least once a year.

Here's How We Keep Your Information Private

Access is limited to personnel who need the information to provide or administer products and services. We maintain physical, electronic, and procedural safeguards that meet or exceed state and federal regulations. And we continually update and improve our security standards, procedures and technology, to help us protect against anyone gaining unauthorized access to your confidential information.

Categories of Information We Collect and May Disclose

In the normal course of business we may collect the following types of personal information:

- Information you give us on applications and other forms (such as name, address, date of birth, Social Security number, health information, and beneficiaries).
- Information about your transactions (such as your policy coverage, premiums and payment history).
- Information we receive from a consumer reporting agency (such as your credit-worthiness and credit history).
- Information about you from our affiliates or other sources (such as public records).

We may disclose any of the above information we collect to affiliates and nonaffiliated third parties, in the manner described below.

Information We May Share with Affiliates

USBA and USBA Services, Inc. are affiliated companies engaged in the sale of life and health insurance. The law permits us to share among our affiliates any informa-

tion about our transactions and experiences with you. In order to offer you a broad range of products and services, and to better serve you, we may share among our affiliates some or all the personal information that we obtain from our transactions and experiences with you.

We otherwise do not share any personal information about our customers with our affiliates, except as permitted or required by law.

Information We May Share with Nonaffiliated Third Parties

Nonaffiliated third parties are companies not controlled by USBA.

- We do not sell personal information about our customers to nonaffiliated third parties.
- We do not disclose personal health information about our customers to nonaffiliated third parties, except as authorized or required by law.
- We may share the personal information we obtain about you (as described above) with financial institutions (such as insurance underwriting companies, insurance agents and brokers, and banks) with whom we have joint marketing agreements, or with non-financial companies who perform services on our behalf.
- We may also disclose such personal information about you with nonaffiliated third parties as permitted by law, including disclosures necessary to process and service your account, to protect against fraud, to protect the security or confidentiality of our records, or with your consent.

We otherwise do not disclose any personal information about our customers to any other nonaffiliated third parties, except as permitted or required by law.

PRESIDENT'S PERSPECTIVE

The truth about customer service



Larry G. Vogt
Rear Admiral, USN (Ret.)
President/CEO

Is not doing the things we like to do, but doing the things we ought to do, that result in growth and makes us successful. For, success depends not merely on how well we do the things we enjoy, but

"The truth is that you can spend your life any way you want, but you can spend it only once."

~ M. de Montaigne ~

how conscientiously we perform those duties we don't. In all of this, individual character plays a very large part as it involves such defining behaviors as integrity, trustworthiness, and respect for others ... behaviors which transcend race, creed, gender, wealth, or position.

Self-disciplined behavior based on an established moral/ethical code is essential for a person, an organization, or a nation... to succeed. In fact, a nation's people will eventually cease to remain self governing... unless they remain self-disciplined. For without the self-discipline inherent with good character, the willingness to do what's right coupled with the resilience necessary

(continued inside)

First Stepssm puts kids on path to lifetime of insurance protection

(continued from inside)

terminated is if the premiums are not paid.

First Steps coverage is whole life coverage that builds cash value that can be used to provide paid up coverage for a child in the future. Or it can be accessed through loans from the policy. (See the rate table for cash value accumulation.)

USBA members currently insured under the USBA Group Life Insurance Program are eligible to apply for this coverage for their unmarried children (including stepchildren and/or adopted children) age one through 17 years. Stepchildren must be dependent on the mem-

ber for over 50% of their support. If both parents are insured under USBA, only one parent may request this coverage. Coverage is available from \$5,000 to \$25,000 in \$1,000 increments.*

Members wishing to receive a brochure with complete plan details and an application form on this product can fill out the Information Request Card attached to their newsletter, ask their USBA agent or call 1-800-368-7021.

* Note: There is an aggregate Maximum per child of \$25,000 of Life insurance under all USBA Group Life Plans. \$25,000 aggregate max includes all child coverage under G-5393-0.

When Bad Things Happen to Your Good Name

Identity theft is a growing crime nationwide, and the military and Federal employee is not immune. Since 2000, nearly 10 million Americans have been victimized by high tech fraudsters translating into at least 175 hours and a minimum of \$1,000 per victim in repairing identity theft damage. Identity theft occurs when someone uses another person's name, Social Security number or other personal information to apply for credit, buy goods and services, or commit other fraud.

Social Security numbers – used commonly to identify government and military personnel – once made them easy prey to identity thieves. As a result, the Defense Finance and Accounting Service has recently dropped the first five digits of each person's Social Security number from all leave and earnings statements and checks to guard against identity theft.



Statistics indicate that identity theft prevention is virtually non-existent, where over 85% of theft cases are opened by the victims on a “reactive” problem-discovering basis. Projections from I.D. theft prevention experts indicate at least one out of every four people reading this newsletter can expect to become an identity theft victim at some point in his or her future.

“We found all these statistics very disconcerting,” comments USBA's vice president of Agency Operations and Market Development, Robert Jesso. “As a result, we looked into what we could do for the USBA member as a proactive measure against these odds and found I.D. Theft Assist best met our requirements for quality.”

Jesso says an exclusively low rate was negotiated for USBA members that is 50% less than what I.D. Theft Assist charges the general public. An annual fee of \$54 or \$59 (depending on individual or family membership) provides access to specially trained agents who can step in and advocate on behalf of the identity theft victim during the crucial 48-72 hours immediately following discovery of the crime.

“With just one toll-free phone call, these agents can set the wheels in motion to undo the damage of a stolen identity,” says Jesso. “The complex procedure and numerous tasks for doing this can be overwhelming – especially when rapid response is so critical. I.D. Theft Assist quickly untangles the red tape involved.”

If an I.D. Theft customer should become a victim, this service will immediately go into action to correct problems and identify further costly damage. From monitoring credit reports, contacting creditors and authorities to legal support regarding fraudulent credit reporting. The membership even includes professional counseling to address the emotional aftermath of identity theft.

USBA members can sign up or get more information by visiting www.idtheftassist.com/usba/ or via the Alliance link on usba.com's home page.

Are You at Risk? Test your “I(dentity) Q(otient)”

1. I receive several offers of pre-approved credit every week. *(5 points) Add 5 more points if you do not shred them before putting them in the trash.*
2. I carry my Social Security card in my wallet. *(10 points)*
3. I do not have a P.O. Box or a locked, secured mailbox. *(5 points)*
4. I use an unlocked, open box at work or at my home to drop off my outgoing mail. *(10 points)*
5. I carry my military ID in my wallet at all times. *(10 points)*
6. I do not shred or tear banking and credit information when I throw it in the trash. *(10 points)*
7. I provide my social security number (SSN) whenever asked, without asking questions as to how it will be safeguarded. *(10 points) Add 5 points if you provide it orally without checking to see who might be listening.*
8. I am required to use my SSN at work as an employee or student ID number. *(5 points)*
9. I have my SSN or driver's license number printed on my personal checks. *(20 points)*
10. I carry my insurance card in my wallet and either my SSN or that of my spouse is the I.D. #. *(20 points)*
11. I have not ordered a copy of my credit reports for at least 2 years. *(10 points)*
12. I don't believe people would root around in my trash looking for credit or financial information. *(10 points)*

100 + points – You are at high risk. We recommend you purchase a paper shredder, become more security aware in document handling and start to question why people need your personal data.

50-100 points – Your odds of being victimized are about average. Higher if you have good credit.

In addition, the Defense Department joined with the Federal Trade Commission to launch Military Sentinel (www.consumer.gov/military/). This online complaint network enables military members and DoD civilian employees to report identity theft and other consumer frauds. And on July 15th, President Bush signed a bill into

law that will stiffen penalties for identity thieves. These are all good reactionary steps for a rapidly growing crime that has become extremely organized and accounts for 42% of complaints received by the U.S. Federal Trade Commission. But what about preventive measures Americans can take to protect themselves?

New USBA Product!

First Stepssm puts kids on path to lifetime of insurance protection

USBA has added a new product to its menu of life insurance plans – this one designed for children. First Stepssm was developed by USBA and New York Life for USBA members who wish to provide life insurance coverage to their children, stepchildren and adopted children.

Why buy life insurance protection for children? “Purchasing a life

insurance policy for your children is a way to guarantee them life insurance protection for the rest of their lives,” explains USBA's President/CEO, Rear Admiral

Larry G. Vogt, U.S. Navy, (Ret.). “No matter what health problems may develop in the years to come, this policy cannot be cancelled as long as premiums are paid.”

Regardless of a child's future health, occupation, military service or hazardous activities, USBA's First Steps can protect his or her ability

to be covered by life insurance in the future. Once issued, this policy is guaranteed renewable for the child's lifetime. The only way coverage can be

(continued on back page)

USBA DEPENDENT CHILD WHOLE LIFE MONTHLY PREMIUMS

Issue Age	Female			Male					
	Monthly Premiums Per \$1000	Cash Value Per \$1000	Per \$1000	Issue Age	Monthly Premiums Per \$1000	Cash Value Per \$1000			
		10 yrs.	20 yrs.	Age 65		10 yrs.	20 yrs.	Age 65	
1	0.28	3	26	391	1	0.37	7	36	466
2	0.29	4	28	390	2	0.38	9	38	465
3	0.29	4	30	389	3	0.39	10	40	464
4	0.30	5	33	389	4	0.40	11	42	463
5	0.30	6	35	388	5	0.41	12	44	462
6	0.31	7	37	387	6	0.42	13	47	461
7	0.32	8	39	386	7	0.43	13	49	460
8	0.33	9	42	385	8	0.44	14	52	459
9	0.34	10	44	384	9	0.45	14	55	457
10	0.35	11	47	383	10	0.46	15	58	456
11	0.36	11	50	381	11	0.47	15	61	454
12	0.37	12	53	380	12	0.49	16	65	453
13	0.38	13	56	379	13	0.51	16	68	451
14	0.39	15	59	377	14	0.52	17	73	449
15	0.40	16	63	376	15	0.53	19	77	448
16	0.41	17	67	374	16	0.54	20	82	446
17	0.42	18	70	373	17	0.55	22	87	444

Available in amounts from \$5,000 to \$25,000 in \$1,000 increments. Premiums are based upon the child's sex and attained age. Complete cash value tables are included with the Certificate of Insurance. *Montana Residents – Due to Montana insurance regulations, unisex rates are required. Coverage is underwritten by New York Life Insurance Co. 51 Madison Avenue, New York, NY 10010 (Policy Form GMR)



Contact USBA for information: Call 1-800-368-7021

Age Old Problem Calls for New Answers

By the time you finish reading this sentence, someone in the United States will have turned 50 years old.

cover less than one year of nursing facility costs (\$51,000/year). Yet the average stay in a nursing facility is 2.3 years.²

The Senate Special Commission on Aging recently reported that many baby boomers have not begun to plan for long term care needs, while many others believe those needs will be met by government health care programs. Given the staggering costs, it is difficult to pay for long term care when one has worked hard and saved for retirement. It is next to impossible when a family is not prepared.

“One in every three Americans could go broke paying for long-term care in their golden years,” according to Idaho Gov. Dirk Kempthorne (R), outgoing chairman of the National Governors Association (NGA). His remarks came as part of an NGA research initiative into long-term care.

“The costs of prescription drugs, hospital stays, and nursing home care are all on the rise. The average stay in a nursing home now costs nearly \$150,000,” Kempthorne stated.

It's not just the soon-to-be-elderly who should be concerned about the cost of long term care, either. In fact, in 1995, 43% of individuals needing long-term care were children and working adults.³

One answer to this challenge is Long Term Care insurance. However, few buy such coverage, either not thinking about it or hoping that their savings will be sufficient to meet any expenses.

If the need for long-term care arises and a family doesn't have insurance, the necessary costs may have to be paid out of personal savings or financed by loved ones. And if the cost of hiring professional care providers is prohibi-

Real or Hoax?

(continued from front)

D-Day Sand Sculpture

White House Commission on Remembrance to commemorate the 60th anniversary of the D-Day landing. It was created from 50 tons of sand from the five landing beaches that were code-named Gold, Juno, Omaha, Sword and Utah.

Sand sculptors John Gowdy and Matthew Deibert of the United States; Mark Anderson and Edward Dudley of the United Kingdom; Dale Murdock of Canada; and Julien Legaes and Guillaume Pelletier of France created a historically accurate sand sculpture of the Normandy invasion. The sculpture was dedicated on May 30 and remained on exhibit through June 8.

Iraqi Memorial Statue

According to a March 9, 2004 article in the Wall Street Journal, Alussy only accepted the project because he was handsomely paid.

“I made the statues of Saddam – even though I didn't want to – because I needed money for my family and to finish my education,” he told the Journal. “And I decided to make statues for the Americans for the exact same reasons.”

Officers from the U.S. Army's 4th Infantry Division commissioned a life-size bronze sculpture of the tableau to honor troops the unit lost during its 11 months in Iraq. Command Sgt. Maj. Charles Fuss, the division's top enlisted officer, spearheaded the project. They found the local sculptor, whose work was outside the division's base in the form of a massive pair of 50-foot statues of Hussein on a galloping horse.

Alussy's initial asking price was far higher than the officers had expected. To finance the project, Fuss publicized it in the task force's internal newspaper and asked officers to get soldiers to contribute \$1 each. Within weeks, he raised \$30,000. In February, the work was shipped to its permanent home, the 4th Infantry Division Museum at Fort Hood, Texas.

tive, family members may be required to pitch in, which means they may have to take unpaid leave from work. Purchasing long-term care insurance can help ensure that any costs associated with care are covered, thereby lessening the financial burden on individuals and their families.

“Last year, USBA included long-term care insurance (LTCI) as a member benefit because we had great concern about the rapidly rising costs associated with long term care,” explains USBA President/CEO, Larry G. Vogt, US Navy (Ret). “These costs include care members may need following a serious accident or illness, or care needed due to the effects of aging.

Traditional health insurance programs including Tricare are not designed to cover these costs, nor are Medicare and Medicare supplements.”

Vogt states that information is available

from USBA on this product – as well as long term care in general – through more than one resource: calling 1-800-605-3518, emailing usbainfo@onlineltc.com or going to the usba.com website and viewing special information pages, including an educational online seminar about the state of the long term care industry. “We've made certain there is plenty of information available for our members because our goal is to help everyone become an informed purchaser of long-term care insurance.”

¹ <http://www.census.gov/population/www/socdemo/age.html>

² Citizens For Long Term Care (www.citizensforltc.org)

³ “Long Term Care: Diverse, Growing Population Includes Millions of Americans of All Ages” by the U.S. General Accounting Office in 1995



PRESIDENT'S PERSPECTIVE

(continued from front)

to prevail in difficult situations, eventually becomes lost...leaving us susceptible to the personality or ideology most loudly promoted at the moment.

An ancient proverb says, “If you are planning for one year, grow wheat. If you are planning for twenty years, grow trees. If you are planning for generations, grow men. Grow men, grow women...with character.” Whether you're leading a team, an entire organization, or a family...the first responsibility must be the development of the people within. And, character development remains at the heart.

Character-driven organizations, themselves, realize the importance of their relationships with each and every member, and every customer with whom they interact. At USBA we recognize, and place great value on, the trust you've placed in us as your life insurer. Our commitment will remain one of continuing to deliver full value, and more, to you.

USBA's large family of products, backed by a rarely matched depth of professional skill and personal service, are all designed to ensure you and your family receive more than expected, and feel secure with the product choices you've made.

Because USBA views success as a way of life, our entire team will continue to focus on serving you and yours, professionally, expertly...never taking for granted the loyalty and great trust you've placed in us.

Give us a call. Give us an opportunity to serve you.



Larry G. Vogt
Rear Admiral, USN (Ret.)
President/CEO USBA