

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

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PRESIDENT'S PERSPECTIVE

It's Time to Set Your Priorities



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

Time is a constant. It moves at its own 24-hours-a-day pace regardless of what we do. On the other hand, our priorities – how we choose to use our time and other more variable resources – are totally within our

control. It's up to us to make sure we're dealing with the things that are truly important to us, rather than becoming a victim of "always urgent."

Taking care of priorities goes hand-in-hand with working effectively. Remember... while efficiency refers to doing things right... effectiveness refers to doing the right things.

"At USBA, our highest priority is the best interest of our membership. It is our mission to offer our Members financial security protection at the best cost we can deliver."

For many of us, those "right things" will include ensuring our loved ones are safe and protected in today's unpredictable world, in the event something happens to the family's wage earner(s). That decision to provide a

(continued inside)

Staying in Touch

Support Mail from Home Now Comes in Bytes, Not Bags

Neither rain, nor snow, nor even an anthrax scare will stop your messages of support to our troops overseas when you take advantage of the web-based version of *AnyServiceMember*. Now, it's *AnyServiceMember.com* and your messages travel over the Internet instead of in a mail bag.

Members who are serving or have served on foreign soil know how much it means to receive messages of support and friendship. Now, thanks to technology, sending them is easier and faster than ever before.

The web-based message program is easy to use. You can select any branch of the service or all of them. If you would like to receive replies, you may include your email address.

Your message will be available to any service member who accesses the *AnyServiceMember* website. It doesn't slow down regular military email.

According to a recent story carried by the Associated Press, the military base at Bagram in Afghanistan is one place where your messages will be received and welcomed. This base, like many of today's military outposts, is equipped with satellite

uplink, miles of fiber optic cable and dozens of computers. Personnel assigned to the base have telephone access to the states, but find access through the Internet to be easier and more convenient, given the time differences between Afghanistan and the USA. "Day here is night there," said one soldier.

Service member support programs such as the popular Operation Dear Abby holiday



AnyServiceMember.com is an easy way to send "thanks" to military personnel.

message program and *AnyServiceMember* have been around for many years. Operation Dear Abby, which delivered paper mail to the troops, began more than 17 years ago. Paper mail deliveries were suspended in the wake of last year's anthrax threat. The *AnyServiceMember* program began during Operation Desert Storm in 1990.

It's an Investment That Yields Stress Relief

TAKE TIME FOR A FINANCIAL

Do you know how much life insurance you have? Do you know how much it would take to allow your loved ones to continue to enjoy the things you've worked for if you weren't around? What about your spouse? Could you and your children carry on without serious financial constraints if your spouse were no longer around?

If you can't answer a confident "yes" to every one of those questions, it's time to perform a financial protection checkup. Like a health checkup, this needs to be a part of your regular annual routine. Your financial picture and the world around you are changing constantly. It's important to think about the effect of inflation on your financial plans. And national security concerns whet our appetite for life insurance. Insurance industry sources say that new policy applications jumped by 26% between September 1, 2001, and October 1, 2001.*

It's important to review your financial protection needs every time you have a major turning point in your life.

Some examples . . .

- Did you get married?
- Have you recently welcomed a new baby?
- Have you recently completed active military service?
- Have you changed jobs?
- Did you buy a new home?
- Are your children leaving the nest?
- Are you retiring or planning to retire?
- Have you recently been divorced or widowed?

Each of these life situations can affect your life insurance needs. And as a USBA Member, you have access to a variety of life insurance plans that can help you take care of these needs affordably and reliably.

Make an appointment with yourself to do your financial protection checkup right now. It's not difficult. Just make a list of all your insurance coverages (on you, your spouse and your children), and then estimate your family's

Speaking of Checkups . . .

A Healthy Lifestyle Can Lower Your Insurance Rates

Looking for ways to get lower insurance rates? Here's a case where doing the right things for your health can improve your budget as well.

- ★ If you smoke, stop. When you have not smoked for 12 months, you may qualify for nonsmoker rates available under certain group life plans.
- ★ If you're healthy and lead a healthy lifestyle, you may qualify for preferred rates which provide substantial savings over our standard rates available on our **TWO for ONE®** and **Lean~15SM** Term Life Plan.



- ★ And . . . if you need to lose weight, work on it. You'll feel better, look better and add years to your life.

financial needs today, in five years, in ten years, in fifteen years and after that. Be sure to include projected college expenses for your children. And don't forget to include the additional child and home care expenses that would arise if either you or your spouse were gone. If you're in business for yourself, consider how much will be required to protect the business.

Now consider your life point. Where are you? How have your needs changed?

Let's look at the first example: You get married. Typically, life insurance is not a major concern to single young adults. But taking on a spouse means taking on a whole new set of financial responsibilities. You begin building a family unit and in most cases, there are two incomes to work with. Both you and your spouse are likely to need more coverage than you presently have – and you will most likely want to change the beneficiary on any insurance you already have to benefit your spouse.

The USBA TWO for ONE® Family Plan is an outstanding solution for two-income families that need to get the most value from their life insurance dollar. This unique plan covers both spouses with one policy and one premium – paying benefits on whoever dies first. The single monthly premium costs far less than two

individual coverages paying the same benefit under one of our regular plans, yet the policy effectively accomplishes the same objective: protection for the survivors on the loss of either spouse.

When your first child is born, you enter a whole new world of long-range planning. You want to provide your child with a worry-free childhood and the benefits of higher education. Will there be enough money if you aren't there to provide . . . or if you lose your spouse and have extra child and home care expenses on top of the lost benefits of a spouse's income.

As children are added, you should adjust your coverages to reflect growing needs. And don't forget to add insurance coverage on the children. It's painful to even think of the loss of a child, but having insurance on the children – costing only pennies a day – could relieve the stress of additional expenses at a time when you are least prepared to cope with burdens.

Term life insurance is an excellent, economical choice for making sure your growing children get all the advantages you're working to provide for them, even if you are not around. Because it doesn't build cash values and has a term limit, it offers a larger benefit per premium dollar than whole life insurance.

Peace of Mind

FINANCIAL PROTECTION CHECKUP

The **USBA Lean~15SM Plan** provides budget-conscious families with 15 years of economical level coverage with a premium that is **guaranteed to remain the same** throughout the entire 15-year term. Coverages range from \$25,000 up to \$500,000. At the end of the 15-year term, you have the right to renew your coverage for another 15-year term... as long as you are under age 66** (provided premiums are paid and the group policy remains in force).

Another alternative is the **USBA Level Term Plan**. It also provides very generous coverage for a low monthly premium. The premium rate changes only on June 1 after you've entered a new age group. This coverage can be continued until June 1 following your 79th birthday.

Changing from active military to civilian life or even changing jobs in civilian life should trigger a review of your insurance coverages. Many companies offer life insurance as a benefit, but it almost always disappears with termination of the job. Your financial protection plan should be grounded around coverage you can depend on, regardless of where you work.

With USBA's plans, coverage doesn't end just because you change jobs, retire or separate from the military. And with USBA's low rates, it's easy to fit the financial protection of life insurance into your personal portfolio.

As you grow older and your children become independent, your insurance needs will change. But as long as you have a spouse or others who depend on you, you will still want the protection of life insurance to see that their needs are met. You may also consider whole life insurance to provide consistent coverage and build cash values.

USBA offers an innovative way to transition smoothly from term insurance to whole life, all within the framework of one policy, the **Generation 3SM Blended Plan**. The plan offers level coverage, with premiums designed to remain level for life. You get the permanence of a whole life policy at a fraction of the cost.

You can get coverage from \$25,000 to \$400,000, issued in \$1,000 increments. At the beginning, the policy typically comprises 95%-96% decreasing term insurance, with 5%-6% 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 that 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.

As you move into your senior years, you may become more concerned about your health – and particularly how your health will affect your insurance coverage. USBA offers the **50 PlusSM Group Whole Life Plan** that provides permanent lifetime coverage and builds cash value with consistent guaranteed rates and coverage amounts. And here's a stress reliever – once you've qualified, you'll never have to re-qualify because of a change in health status, as long as premiums are paid. Coverages from \$5,000 to \$400,000 are available. If you request coverage of \$50,000 or less, you can use our simplified application.

Let's say you've completed your checkup and have filled the gaps with the appropriate policies. It's important to keep those policies in force. For most families – especially the family with young children – life insurance may provide the only affordable way to make certain that loved ones won't suffer a critical financial blow when a family member is lost.

If you have any questions about your insurance needs, remember, you have friendly consultants at USBA who are willing to explain our policies to you. They'll also be happy to provide you with complete details of the USBA plans that you are interested in. Just call 1-800-368-7021. From 8:30 a.m. to 4:30 p.m. Central Time, you'll reach a consultant immediately. At other times, please leave a message and we'll get back to you promptly.

*Source: MIB, 2001. **Under age 61 in New York.

USBA policies are underwritten by New York Life, one of the oldest and largest life insurance companies in the country.

Please Let Us Know...

If anything in your personal profile has changed.

- Did you move?
- Did your marital status change?
- Have you stopped (or started) smoking?

These are some examples of information we need to keep your profile current. Call 1-800-821-7912 or email Member Services at usbamemb@usba.com, and we'll update your information immediately.

PRESIDENT'S PERSPECTIVE

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blanket of security must be made and acted upon ahead of time. Yet, fortunately, once the decision is made, it's relatively easy for most of us to obtain the financial protection that will give peace of mind to the entire family unit.

At USBA... we have made it our priority to help our members provide their loved ones with real financial protection... at affordable rates. Last year, for instance, we reduced rates on our 15-Year Level Term to help our members take care of one of their most important priorities – the financial security of their spouses and children.

Recall the adage that "life is what happens to us while we're making other plans." In considering the future well-being of your family, don't let life act upon you. Make the decision to take control. The right choices by you now will allow those you love to go on with dignity, in the event you're taken away.

Consider us. We'll be there.



Larry G. Vogt
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USBA 2002 Dietrich Scholarship Winners Are Announced



Glenn Roberts of Copperas Cove High School in Copperas Cove, Texas, is headed to college with a \$2,000 USBA grant. He is the son of USBA members Lina and Pete Roberts.



USBA Rep. Ron Culver presented a Dietrich scholarship to Melissa Hoglund of Stadium High School in Tacoma, Washington. She is the daughter of Charlene and David Hoglund.



Kevin Manalo of Orange Park High School, Orange Park, Florida, was selected for the third Dietrich Scholarship. His proud parents are Maria and Librado Manalo.

Three outstanding college-bound students – all sons and daughter of USBA Members – have been awarded 2002 Dietrich Scholarships. Each received a \$2,000 grant from USBA Services, Inc. The winners were chosen on the basis of both academic achievement, leadership accomplishments, and participation in community activities.

The scholarship is named for the late Maj. Gen. Bill Dietrich, USAF (Ret.) who was USBA's president from 1975 to 1989.

TO APPLY FOR THE 2003 AWARDS
Visit www.usba.com and download the application from the Member Forms section.

MEMBER BRIEFING

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Published periodically for USBA members.
Please send your comments and suggestions to the Newsletter Editor at the above address or call 1-800-821-7912. Or visit our Website, www.usba.com.



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*).

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- Information about your transactions (*such as your policy coverage, premiums and payment history*).
- Information we receive from a consumer reporting agency (such as your creditworthiness and credit history).
- Information about you from our affiliates or other sources (such as publicly available 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 information 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.

