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MO. DEPT. OF INSURANCE,
FINANCIAL INSTITUTIONS &
PROFESSIONAL REGISTRATION

#9

September 19, 2013

Missouri Department of Insurance
Attn: Director John M. Huff
301 W. High Street
Jefferson City, MO 65101

Re: Termination of Major Medical Block

Dear Director Huff:

After providing Major Medical insurance to your Missouri residents for several years, United Security Life and Health Insurance Company ("USL&H") has made the difficult decision to cancel all of its Major Medical policies. After careful review of all the new requirements of the Patient Protection and Affordable Care Act ("PPACA"), USL&H, a small regional carrier, does not have the economies of scale to continue to offer our Major Medical Insurance in Missouri.

Please accept this timely notice as USL&H's intent to discontinue our Major Medical coverage in Missouri as of April 1, 2014. In compliance with your statute, V.A.M.S. 376.454, we are providing you this notice at least one hundred and eighty (180) days in advance. (Please note that this notice does NOT include the Short Term Major Medical and other ancillary health/life products.)

Notices have been prepared and will be sent to all active Major Medical Certificate Holders by the end of this week. Please see attached copies of the termination letters to Missouri Certificate Holders and our notice to our agent partners.

We are hoping that providing this notice to our Certificate Holders prior to October 1, 2013 will give them the opportunity to participate in the Open Enrollment period via the PPACA Marketplace.

If you have any additional questions, please feel free to contact me directly at (708) 475-6051 or via email at rdial@uslandh.com.

Sincerely,


Robert G. Dial
Secretary and V.P. of Compliance

Quality Products from Caring Professionals

September 20, 2013

Name
Address
Address
City, State Zip

Policy Number:

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MO. DEPT. OF INSURANCE,
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Notice of Cancellation of your Major Medical Insurance Policy effective 3/31/2014 11:59 pm CST

Dear Policy Holder,

Thank you for allowing United Security Life and Health to provide you and your family with quality health insurance. **This letter is to advise you that United Security Life and Health Insurance will not be continuing your major medical insurance coverage after 11:59 pm CST on 03/31/2014.** due to the medical loss ratio restrictions under the new healthcare law known as the Affordable Care Act (ACA), and the administrative requirements necessary to continue operating our Major Medical Insurance in Missouri. In compliance with state statute, we are sending you advance notice of 180 days of our intent to voluntarily discontinue your coverage.

It is the hope of regulators that the ACA will improve the healthcare landscape for generations to come. As a small company providing insurance for over 20 years, we do not have the economies of scale that larger insurance providers enjoy. Even with our strong focus on controlling administrative expenses, we are unable to provide you the coverage mandated by ACA at an affordable price after 11:59 pm CST on 3/31/2014.

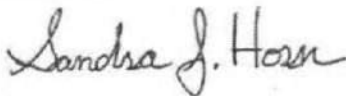
We will continue to administer your current and renewing health insurance until 3/31/2014.

In the coming months you will be hearing about the health insurance options available to you beginning 1/1/2014. There is no immediate need for you to make any changes to your current health coverage. We encourage your questions and, together with your agent, we will help find the 2014 option that is best for you and your family. Options available to you include:

- Discussing your 2014 guaranteed issue Healthcare Reform policy with your agent, navigator, advisor, or USLH representative. Open Enrollment for a Guaranteed Issued ACA policy begins October 1, 2013 and continues through 3/31/2014.
- Providing you with the available tools to determine the plans and premium subsidies available for your unique situation
- Visiting www.healthcare.gov to research your options

Together with your agent, we are here to help. Feel free to call us at 1-800-875-4422 with any questions. It has been our pleasure to service your health insurance needs.

Sincerely,



Sandra J. Horn
President
United Security Life and Health

September 20, 2014

Agent Name
Company
Address 1
Address 2
City, State Zip

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PROFESSIONAL REGISTRATION

**Notice of Cancellation of all USLH Major Medical Insurance Policies effective
3/31/2014 11:59 pm CST**

Dear Valued Agent Partner,

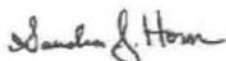
We have sent notification to your active United Security Life and Health major medical clients of our intent to discontinue our Major Medical Coverage effective on 3/31/2014 at 11:59 p.m. CST.

The current regulatory environment is such that we are unable to continue operations with the mandated 80% Medical Loss Ratio. We simply do not have the economies of scale to commit 80% of our premium to claims and have only 20% of premium to pay administrative expenses and commissions. **United Security's difficult decision to voluntarily discontinue providing major medical coverage after 3/31/2014 impacts only our major medical plans.** USLH will still market our ancillary product portfolio, which includes: Short-term Major Medical, Disability Income, Cancer, Critical Illness, Accident Hospital Indemnity, Dental Plus Vision and Hearing. **We will continue to pay agent commissions on current and renewing major medical policies through 3/31/2014;** therefore, there is no rush to obtain other coverage for your clients.

USLH has been working hard to develop a business solution that we believe will be mutually beneficial to your customer, your agency, and our organization, as we enter this new era of health insurance. As such, **we are pleased to announce our newest business venture, ACA Marketplace Enrollment Solutions (AMES).** This firm is a national insurance exchange marketplace that is contracted with national and regional carriers across the country. As you know, the health insurance marketplace open enrollment period begins on October 1st and will provide coverage starting 1/1/2014 for anyone, regardless of medical history or pre-existing conditions. ACA Marketplace Enrollment Solutions is a web based enrollment firm that provides your agency a one stop solution for open enrollment. This web based system, provides you with the tools to calculate subsidies, run comparative rates and benefits for participating health insurance exchange carriers, and enroll your clients for coverage. We are excited to provide you with the opportunity to work with ACA Marketplace Enrollment Solutions and offer your clients a seamless transition to their new ACA health plan. We'd be happy to reach-out to your current USLH customers and assist them through the enrollment process, while paying you commission.

We will be calling you in the next couple of weeks to discuss this exciting opportunity in more detail and look forward to discussing how you can turn this new opportunity into a revenue generator for your agency. Enclosed in an introduction to ACA Marketplace Enrollment Solutions. If you wish to discuss this sooner, or if have any immediate questions, please do not hesitate to call us at 800-875-4422.

Sincerely,



Sandra J. Horn
President
United Security Life and Health