



February 16, 2012

Universal American (UAM) has made a strategic decision to discontinue actively marketing its Traditional Insurance Products effective June 1, 2012. This change will have no impact on the Company's in-force Traditional Business, as we will continue to service current policyholders with the same quality service as provided in the past. The Company will continue to market and sell its Medicare Advantage (MA) products.

In recent years, UAM's attention has been on expanding its MA product lines. With that change, Traditional Products have not been a primary focus of the organization and our business has steadily declined. In addition, as a result of recent accounting changes, we are no longer able to defer a significant amount of our new business acquisition costs, which also contributed to our decision to discontinue actively marketing or selling our Traditional Products.

We recognize that this change will have an impact on all of you who have supported our Traditional Product business, including our marketing and sales distribution and our employees. However, the decision is being made in the best long-term interest of the Company and its shareholders. We are sincerely grateful for the contributions made by our distribution and employees to our business over the years.

Effective immediately, the Company will stop filing **new** Traditional Products. We will, however, continue to make product filings for required regulatory changes and rate filings related to the existing business.

Transition timeline

- April 1, 2012
- Printing of marketing materials, leads or other product supplies will be discontinued. We will continue to ship supplies that are available. When supplies are depleted, marketing materials will be available for downloading from AgentLink.
 - No **new** agent appointments will be accepted for American Pioneer, Constitution Life or Marquette National or for Traditional sales in American Progressive.

- Agent appointments received prior to April 1, 2012 will continue to be processed.
- June 1, 2012
- Agents will be instructed not to solicit the sale of Traditional Products after June 1, 2012.
 - Applications that result from direct sales will continue to be processed.
 - No new Traditional Group policies written after June 1, 2012, will be accepted. We will continue to accept applications from new group certificate holders as long as the Group policy remains in effect.
 - We will also continue to accept policy conversions and changes as per the respective contract provisions.

Any questions should be directed to:

Universal American

Jason J. Israel

President Insurance Subsidiaries

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Or

Robert A Waegelein

Executive Vice President and Chief Financial Officer

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Frequently Asked Questions

As communicated to our agents, Universal American (the Company) has decided to make a strategic change of direction and to discontinue actively marketing or selling its Traditional Insurance products effective June 1, 2012. You'll find this announcement attached. The Q&A below should help answer some of your additional questions regarding the Company's action.

1. Why is the Company leaving the Traditional Product market?

Over the past few years, the Company's attention has been on expanding its Medicare Advantage (MA) product lines. With that change, the Traditional products have not been a primary focus of the organization and have been a declining book of business. In addition, as the result of recent accounting changes, the Company can no longer defer a significant amount of its new business acquisition costs, which also contribute to our decisions to discontinue actively marketing and selling our Traditional products.

2. What Universal American companies are affected?

Marketing and selling activities for all Traditional products is being discontinued in the following companies:

- American Pioneer Life Insurance Company
- American Progressive Life & Health Insurance Company of New York
- Constitution Life Insurance Company
- Marquette National Life Insurance Company

NOTE: Pennsylvania Life Insurance Company was closed to all business during 2011 and The Pyramid Life Insurance Company was closed for new traditional business effective December 31, 2011.

3. What Traditional products are affected?

All Traditional products are affected. They are:

- Medicare Supplement and Medicare SELECT

- Hospital Indemnity
- First Diagnosis Cancer
- Senior Dental
- Senior Tribute (Whole Life)

4. May I continue to take applications for Traditional business?

Appointed agents can continue to market and sell the current Traditional Product portfolio through May 31, 2012. No new individual Traditional business application written after June 1, 2012, will be accepted.

NOTE: The Company will continue to accept individual applications written under an American Pioneer group Medicare Supplement contract for as long as the Group contract is in effect. Existing Group contracts will not be renewed and new Group contracts will not be accepted after June 1, 2012.

5. Are marketing and sales materials still available?

Marketing and Sales materials are generally still available. However new printing will cease effective April 1, 2012. We will continue to ship in stock supplies until the current inventory has been exhausted. Marketing and Sales supplies will available for downloading from AgentLink. As an alternative to supplies, many Traditional products can be sold using the Company's E-app process which is available to all appointed agents via AgentLink.

6. May I continue to use my leads?

Lead generated from existing lead programs can be worked. However, no new lead drops will be processed after April 1, 2012.

7. How does this impact my commission?

There is no impact on agent commissions. The Company will continue to pay commissions on all in force policies per your agent contract and commission schedule.

8. May I continue to contract and appoint new agents for Traditional products?

New agent contracts and appointments can be contracted and appointed for Traditional products up through the end of March 2012. New agent contracts and appointments for Traditional products received after this date will not be processed.

Contracts and appointments for Medicare Advantage products sold by American Progressive and Pyramid Life will continue to be processed.

9. How will this decision affect my being reappointed?

If requested, the Company will reappoint agents to American Pioneer, Constitution Life and Marquette National for expiration dates prior to June 1, 2012. For American Progressive and Pyramid Life the Company will continue to reappoint active agents and renewal only MA agents.

10. How does this impact my policyholders?

This change will have no impact on the Company's in-force traditional business. The Company will continue to service those insureds with the same quality service provided in the past. Contract benefits and provisions remain as defined in their policy.

11. Will my policyholders be notified of this action?

Since this action only impacts new marketing and sales activities, policyholders will not be notified.