

ZON Re - USA Enters International Accident Reinsurance Market

SHELTON, CT OCTOBER 15, 2005 - We are pleased to announce ZON Re, LLC's entry into the International Accident Reinsurance Market for risks attaching January 1, 2006.

ZON Re is the reinsurance division of UICI (NYSE:UCI) a specialty marketer and risk taking enterprise for Life, Accident and Health insurance programs. Underwriting on behalf of UICI's wholly owned subsidiary; The MEGA Life and Health Insurance Company (Rated "A-" "Excellent" by A.M. Best), ZON Re will offer limits of \$1 Million per person and \$10



Million per occurrence and will focus on Catastrophe Excess of Loss, Quota Share and Per Person Excess of Loss Accident programs. Writings will be limited initially to primary insurance companies located in Europe, Japan, South Africa and Australia. According to W. Brian Harrigan, President and CEO of ZON Re - USA, LLC, "We are enthusiastic about our expansion beyond the U.S. and Canada and look forward to bringing our underwriting expertise and accident focused capacity to the global market". He continued, "Since our founding we have concentrated our initiatives on the unique requirements of our clients and their personal accident risk portfolios. We take no P&C risk, and therefore can maintain more stable pricing in our overall book."

REYKJAVIK 101: Exclusive Correspondent for ZON Re

LONDON, ENGLAND OCTOBER 17, 2005 - As part of ZON Re's expansion into the International Accident market, Reykjavik 101, headquartered in London will act as ZON Re's Exclusive Correspondent. Jonathan Bowers, Managing Director stated: "We have had an excellent relationship with the Underwriting and Management Team at ZON Re

working to secure U.S. and Canadian accident risks sent to the London market and Lloyds. The International Personal Accident market will benefit substantially from ZON Re's expertise and specialty accident underwriting discipline".

Jonathan may be reached at Reykjavik 101 Limited at 44-207-665-5494 or email: jonathan.bowers@reykjavik101.co.uk

"We are enthusiastic about our expansion beyond the U.S. and Canada"

Kieron Farrelly Named CUO - Accident Reinsurance for MEGA Life.

MOUNT OLIVE, NJ - Effective August 18, 2005 Kieron Farrelly, Executive Vice President of ZON Re - USA, LLC assumed the additional responsibility of Chief Underwriting Officer - Accident Reinsurance for the MEGA Life and Health Insurance Company. Kieron has over 25 years of experience in both A&H Insurance and Reinsurance. Kieron began his insurance career with Alexander and Alexander and later spent 15 years with Duncanson and Holt. Prior to joining ZON Re, Kieron spent 5 years with AON Re in New York City.

The Newsletter for
Reinsurance Intermediaries

ZON Review

In the Fall 2005 issue:

**ZON Re USA Enters International
Accident Reinsurance Market**

**Kieron Farrelly Becomes Chief
Underwriting Officer of MEGA Life**

Blackstone to Acquire UICI

ZON Re Accident Reinsurance
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Blackstone Group to Acquire UICI for \$1.7 Billion in Cash – Takes Company Private

UICI, parent company of both ZON Re and MEGA Life Insurance Company, announced on September 15, 2005 that its Board of Directors has unanimously approved an agreement by which a group of private equity firms led by The Blackstone Group would acquire UICI in a cash merger at \$37.00 per share. The private equity consortium, which includes Goldman Sachs Capital Partners and DLJ Merchant Banking Partners, has committed to invest over \$1 billion of equity in the transaction. Management

and current employees and agents are expected to invest over \$125 million in the transaction.

William J. Gedwed, UICI's chief executive officer, said, "This announcement is the culmination of a process that Ron Jensen and our Board initiated in the second half of 2004 to maximize value to shareholders and reposition the Company for the benefit of our agents, employees and policyholders. The transaction has the complete support of the Jensen family, and we believe that it is a 'win' for all our stakeholders." Mr. Gedwed added, "The Board and management were impressed with the premier reputations of Blackstone, Goldman Sachs and DLJ Merchant Banking and their expertise in the health care and insurance sectors. We are excited about the future of UICI under their ownership."



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