

## 2005 Market Update

The Accident Reinsurance market remains stable. This spring the ZON Re Underwriting and Executive team conducted a series of 2005 Market Update meetings in New York, Philadelphia, Connecticut and Minneapolis with a number of our reinsurance intermediaries. The agenda for each meeting included a comprehensive review of ZON Re data on in force accident reinsurance business through January, 2005, a review of representative reinsurance clients, sources of business, accounts written, quotes outstanding and an update on *UICI* and MEGA Life's 2005 Security. Through March, rates are holding firm for most programs.

ZON Re is the Accident Reinsurance division of Texas-based *UICI* (NYSE:UCI). ZON Re is focused exclusively on Accident programs. For 2004, *UICI* generated revenues in excess of \$2.5 billion. Through January 31, 2005, ZON Re had written in excess of \$33 million of combined Accident Insurance and

Reinsurance premium. Our Accident Reinsurance programs include Quota Share, Excess of Loss, CAT XOL, both treaty and facultative. We offer limits of \$1 Million per Person and \$10 Million per Occurrence.

ZON Re continues to emphasize distribution to the insurance marketplace through highly competent and professional Reinsurance Intermediaries. The top ten production sources for our business include the following intermediaries:

AON Re  
Gallagher Re  
Guy Carpenter  
John B. Collins  
Midland Intermediaries  
Park London  
Rattner MacKenzie Ltd.  
Towers Perrin  
Vision Re  
Willis Re

Our clients represent first tier Life and A&H writers. We appreciate the confidence they have placed in us in 2004.

## MEGA Life receives S&P rating

Accident Reinsurance programs are underwritten on behalf of The MEGA Life and Health Insurance Company which is rated "A-"; (Excellent) by AM Best and Co., with a stable outlook. In addition, in February, 2005, Standard & Poor's Rating Services assigned its

"A-" counterparty credit and financial strength rating to MEGA Life, with a "stable" outlook.

## MEGA Life Increases year end Capital & Surplus

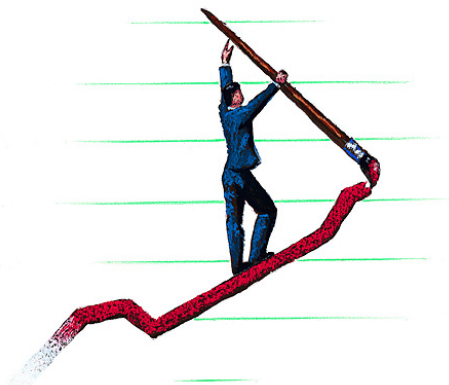
Capital & Surplus for MEGA Life increased to \$307 million as of 12/31/04.

Capital & Surplus for MEGA Life increased to \$307 million as of December 31, 2004 compared with Capital & Surplus of \$263 million at the end of 2003.

Updated Security information on MEGA Life may be found at [www.zonre.com](http://www.zonre.com).

## ZON Re Appoints Exclusive London Correspondent

Effective January 1, 2005, ZON Re appointed Reykjavik 101 Limited, Jonathan Bowers, Managing Director, as our Exclusive Correspondent in London. Jonathan Bowers has over 20 years of Accident & Health experience having previously underwritten business for major A&H insurers as well as two Lloyd's syndicates.



Our Newsletter for  
Reinsurance Intermediaries

# ZON Review

In the Spring 2005 issue:

**2005 Market Update**

**MEGA Life Receives S&P Rating**

**MEGA Life Increases Year End C&S**

**ZON Re Appoints London Correspondent**

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ZON Re is focused exclusively on Accident Reinsurance. Our Underwriting and Management team has an average of 25 years of Accident & Health experience with firms including AON, AIG, Chubb, Everest Re, Reliance National, CNA, UNUM/Provident, UICI, Prudential, Travelers, Johnson & Higgins and Sullivan & Co.

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