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St. Louis, MO 63042

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Printed in U.S.A.

An Independent Comparative Report



**UNITED SECURITY
ASSURANCE COMPANY
OF PENNSYLVANIA**
Souderton, Pennsylvania

H&A report

This report prepared by Standard Analytical Service, Inc.
Analysts of the Insurance Industry since 1932

FINANCIAL STABILITY

The financial condition of a Health Insurance Provider (including Accident Insurance Provider) is an important factor in public confidence. In this regard we believe the financial factors listed below are significant. The following is a COMPARATIVE ANALYSIS of these basic factors, comparing

UNITED SECURITY ASSURANCE COMPANY OF PENNSYLVANIA

with 25 of the largest insurance carriers in the United States in Health-Accident premiums earned.

BASIC SIGNIFICANT FACTORS —AS OF DECEMBER 31, 2008 DERIVED FROM THE ANNUAL STATEMENT

(The 25 Companies listed below are 25 of the largest in Health-Accident premiums earned.)

SOLVENCY

A wide margin of Assets over Liabilities can be a significant safety factor. This indicates financial soundness and a Company's ability to meet all obligations as they become due.

Assets for each \$100 of Liabilities as of Dec. 31, 2008.

Aetna Life Insurance Company, CT	\$121.84
American Family Life Assurance Co., GA	106.85
American Republic Insurance Company, IA	198.49
Bankers Life & Casualty Company, IL	105.60
Combined Insurance Company of America, IL	133.18
Connecticut General Life Ins. Co., CT	112.93
Golden Rule Insurance Company, IL	177.43
Guardian Life Ins. Co. of America, NY	114.45
Hartford Life & Accident Ins. Co., CT	172.25
Humana Insurance Company, Inc., WI	216.85
John Hancock Life Insurance Company, MA	104.28
Life Ins. Co. of North America, PA	113.00
Mega Life and Health Ins. Co., OK	136.92
Metropolitan Life Insurance Co., NY	104.17
Mutual of Omaha Insurance Company, NE	180.67
Northwestern Mutual Life Ins. Co., WI	108.71
Principal Life Insurance Co., IA.....	104.35
Provident Life and Accident Ins. Co., TN	105.86
Pyramid Life Insurance Company, FL	163.20
Standard Insurance Company, OR	109.46
Time Insurance Company, WI	145.43
Unicare Life and Health Ins. Co., DE	128.35
United American Insurance Co., DE	115.24
United Healthcare Insurance Co., CT	136.64
UNUM Life Ins. Co. of America, ME	108.71

AVERAGE OF 25 OF THE LARGEST HEALTH-ACCIDENT CO'S. \$108.18

UNITED SECURITY ASSURANCE \$147.70

SURPLUS FUNDS

(Including Capital, if any) Per \$100 of Liabilities: A substantial surplus ratio may indicate a company's ability to take emergencies in stride. It shows the amount of excess funds to total liabilities.

AVERAGE OF 25 OF THE LARGEST HEALTH-ACCIDENT CO'S. \$8.18

UNITED SECURITY ASSURANCE \$47.70

LIQUID ASSETS

Assets in Bonds, Stocks, Cash and Short-Term Investments for each \$100 of Liabilities: A high ratio may indicate a more liquid investment position to cover unforeseen emergency cash requirements that may arise.

AVERAGE OF 25 OF THE LARGEST HEALTH-ACCIDENT CO'S. \$62.76

UNITED SECURITY ASSURANCE \$119.28

FINANCIAL STATEMENT SUMMARY AS OF DECEMBER 31, 2008

Admitted Assets	Health-Accident Premiums Written
\$65,138,242	\$11,607,533
Total Liabilities	Health-Accident Premiums Earned
\$44,103,166	\$11,614,462
Gross Surplus	Health-Accident Expenses Incurred
\$21,035,076	\$ 6,055,958
	Health-Accident Benefits Incurred
	\$4,741,669

CONCLUSION

Based on the financial results achieved in the year ended 2008, the analysis made of the above organization is **favorable** in comparison with the aggregate averages of 25 of the LARGEST HEALTH-ACCIDENT COMPANIES.