

18-02930-FOIA

August 20, 2018

U.S. Securities and Exchange Commission  
Office of FOIA Services  
100 F Street, NE Mail Stop 2745  
Washington, DC 20549-5100



Dear FOIA Office:

Under the Freedom of Information Act (FOIA), we are requesting a copy of the following:

Comment letter (and all related correspondence) to Form 10-K filed March 28, 2003 by CAREMARK  
ULYSSES HOLDING CORP.  
CIK NUM: 709878

Process this request up to our education-use entitlements.

Thank You,

Colleen Honigsberg  
Assistant Professor of Law  
Stanford Law School

[REDACTED]  
[REDACTED]



UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
STATION PLACE  
100 F STREET, NE  
WASHINGTON, DC 20549-2465

Office of FOIA Services

August 23, 2018

By Email: [REDACTED]  
Ms. Colleen Honigsberg  
Stanford Law School

RE: Freedom of Information Act (FOIA), 5 U.S.C. § 552  
Request No. **18-02930-FOIA**

Dear Ms. Honigsberg:

This letter is in response to your request, dated August 20, 2018, and received in this office on August 21, 2018, for information regarding Comment letter (and all related correspondence) to Form 10-K, filed March 28, 2003, by Caremark Ulysses Holding Corp.

The search for responsive records has resulted in the retrieval of 12 pages of records that may be responsive to your request. They are being provided to you with this letter.

If you have any questions, please contact me at [fultonc@sec.gov](mailto:fultonc@sec.gov) or 202-551-8186. You may also contact me at [foiapa@sec.gov](mailto:foiapa@sec.gov) or (202) 551-7900. You also have the right to seek assistance from Lizzette Katilius as a FOIA Public Liaison or contact the Office of Government Information Services (OGIS) for dispute resolution services. OGIS can be reached at 1-877-684-6448 or [Archives.gov](http://Archives.gov) or via e-mail at [ogis@nara.gov](mailto:ogis@nara.gov).

Sincerely,

A handwritten signature in cursive script, appearing to read "Charlotte Fulton".

Charlotte Fulton  
FOIA Research Specialist

Enclosures

December 12, 2003

Mail Stop 3-09

Richard A. Barasch, President  
Universal American Financial Corp.  
6 International Drive, Suite 190  
Rye Brook, NY 10573

Re: Universal American Financial Corp.  
Registration Statement on Form S-3, Amendment 1  
File Number 333-109803

Form 10-K for the year ended December 31, 2002  
File No. 001-08506

Form 8-K, filed November 14, 2003  
File No. 001-08506

Form 10-Q for the quarter ended March 31, 2003  
File No. 001-08506

Form 10-Q for the quarter ended September 30, 2003  
File No. 001-08506

Dear Mr. Barasch:

We have reviewed your documents and have the following comments. Where our comments call for disclosure in the Form S-3, we think you should revise and amend your document in response to those comments. Where our comments call for disclosure in the draft Forms 10-Q, we think you should revise these documents and file amended Forms 10-Q. With respect to our comments for disclosure on the Form 10-K and the Form 8-K, please revise your documents in future filings, as applicable. If you disagree, we will consider your explanation as to why our comment is inapplicable or a revision is unnecessary. Please be as detailed as necessary in your explanation. In some of our comments, we may ask you to provide us with supplemental information so we may better understand your disclosure. After reviewing this information, we may or may not raise additional comments.

Please understand that the purpose of our review process is to assist you in your compliance with the applicable disclosure requirements and to enhance the overall disclosure in your filing. We look forward to working with you in these respects. We welcome any questions you may have about our comments or on any other aspect of our review. Feel free to call us at the telephone numbers listed at the end of this letter.

FORM S-3

Risk Factors

"We May be Unable to Service and Repay Our Debt Obligations . . . ,"  
page 2

1. We note that you have revised this risk factor to disclose the amounts provided by your non-insurance subsidiary and your insurance subsidiaries "[t]hrough September 2003." Please clarify the beginning point for this period. For example, are these year-to-date figures, meaning the beginning point is January 2003?

2. In addition to the information you provided, please also provide the amount of unrestricted subsidiary funds available for distribution as of the latest practicable date.

"The Availability of Reinsurance on Acceptable Terms and the Financial Stability . . . ," page 3

3. We note the table you inserted into this risk factor in response to prior comment 5. The only information we were requesting in prior comment 5 is the percentage of total business that you reinsure, which apparently is 36%. Therefore, if you keep the table in this risk factor, please delete, at a minimum, all of the non-bolded information, as it presents more detail than is appropriate for the Risk Factors section of the filing. You may disclose these

additional details in a different section of the filing if you wish. Please note that if you retain any portion of the table in any section of the filing, you should clarify that the dollar amounts are in thousands, if true.

"Failure to Maintain Our Information Systems Could Adversely Affect Our Business," page 5

4. We note that pursuant to prior comment 10, you will file your agreement with ALICOMP as an exhibit to your amended Form 10-Q for the quarter ended September 30, 2003. Please also file Schedules A and B, as well as any other parts of the agreement that are not included in the agreement itself. Finally, since this is a material agreement, you should discuss all of its material terms in the Business section of your next Form 10-K. Your discussion should include the following information:

- \* All material rights and obligations of the parties to the agreement;
- \* Expiration date and termination provisions.

Please supplementally provide us with the disclosure you will use in your future filings.

Incorporation of Certain Information by Reference, page 15

5. We note that prior comment 20 did not specify which paragraph it pertained to. It was intended to apply to the last paragraph of this section, which begins with "Any statement contained . . ." Please either delete this paragraph or revise it so it is clear that investors are entitled to rely on reports incorporated by reference when they make their purchases, even if those reports are later "modified or superseded."

FORM 10-K

Item 1 - Business

Reinsurance, page 13

6. We note your response to prior comment 24. We also note that footnote 12 to your financial statements discloses the amounts recoverable from your principal reinsurers as of December 31, 2002. We acknowledge your statement that you have recaptured your agreements with Transamerica. If you do not feel that your agreements with General & Cologne and with Hannover are material in the aggregate, please supplementally provide us with an analysis explaining why not. As part of your analysis, please provide us with the percentage of your business that you cede to these two companies. We may have further comments.

Competition, page 16

7. We note your response to prior comment 25. Please supplementally provide us with the disclosure you will use in future filings.

FORM 8-K FILED NOVEMBER 14, 2003

Exhibit 99.1 - Press Release of Universal American dated November 4, 2003

8. We have read your response to prior comment 35 but we do not concur. An earning release furnished under Item 12 of Form 8-K is subject to the requirements of Item 10(e)(1)(i) of Regulation S-K. Please refer to Instruction 3 to Item 12 of Form 8-K. Also, we continue to believe that the non-GAAP measure "operating income" has the effect of smoothing earnings and should be removed in future filings. Therefore, we repeat the comment in its entirety.

9. Please note that a report of an event specified under Item 12 is to be furnished within 5 business days after the occurrence of the event.

DRAFT AMENDMENT TO FORM 10-Q FOR MARCH 31, 2003

Item 6. Exhibits and Reports on Form 8-K, page 31

10. Please revise the amendment to comply with the new exhibit requirements for the certifications required by Section 302 and 906 of the Sarbanes-Oxley Act of 2002 that were effective August 14, 2003.

DRAFT AMENDMENT TO FORM 10-Q FOR SEPTEMBER 30, 2003

Item 2. Management's Discussion and Analysis of Results of Operations and Financial Condition

Results of Operations - Consolidated Overview

Nine months ended September 30, 2003 and 2002, page 26

11. We acknowledge your response to prior comment 40. Please remove your disclosure of the non-GAAP measure "operating income, excluding realized gains and excluding the financing charge."

\* \* \*

As appropriate, please amend your registration statement in response to these comments. You may wish to provide us with marked copies of the amendment to expedite our review. Please furnish a cover letter with your amendment that keys your responses to our comments and provides any requested supplemental information. Detailed cover letters greatly facilitate our review. Please file your cover letter on EDGAR under the form type label CORRESP. Please understand that we may have additional comments after reviewing your amendment and responses to our comments.

We direct your attention to Rules 460 and 461 regarding requesting acceleration of a registration statement. Please allow adequate time after the filing of any amendment for further review before submitting a request for acceleration. Please provide this request at least two business days in advance of the requested effective date.

You may contact Don Abbott at (202) 942-2819 or James Rosenberg at (202) 942-1803 if you have questions regarding comments on the financial statements and related matters.

Please contact Greg Belliston at (202) 824-5219 or me at (202) 942-1840 with any other questions.

Sincerely,

Jeffrey Riedler  
Assistant Director

cc: Irving I. Lesnick, Esq.  
Harnett Lesnick & Ripps P.A.  
Nationsbank Tower  
150 East Palmetto Park Road, Suite 150  
Boca Raton, Florida 33432-4832

Marita Makinen, Esq.  
Weil, Gotshal & Manges LLP  
767 Fifth Avenue  
New York, NY 10153

Richard A. Barasch  
Universal American Financial Corp.  
December 12, 2003  
Page 1

Mail Stop 3-09

November 14, 2003

Richard A. Barasch, President  
Universal American Financial Corp.  
6 International Drive, Suite 190  
Rye Brook, NY 10573

Re: Universal American Financial Corp.  
Registration Statement on Form S-3  
File No. 333-109803

Form 10-K for the year ended December 31, 2002  
File No. 001-08506

Forms 8-K, filed August 4, 2003 (2)  
File No. 001-08506

Form 10-Q for the quarter ended March 31, 2003  
File No. 001-08506

Form 10-Q for the quarter ended June 30, 2003  
File No. 001-08506

Dear Mr. Barasch:

We have reviewed your documents and have the following comments. Where our comments call for disclosure in the Form S-3, we think you should revise your document in response to those comments. Where our comments call for disclosure in the Forms 10-Q, please file an amended Form 10-Q for the quarters ended March 31, 2003 and June 30, 2003. With respect to our comments for disclosure on the Form 10-K for the year ended December 31, 2002 and the Forms 8-K, please revise your document in future filings beginning with any Item 12 Form 8-K filing or the Form 10-K for the fiscal year ended December 31, 2003, as applicable. If you disagree, we will consider your explanation as to why our comment is inapplicable or a revision is unnecessary. Please be as detailed as necessary in your explanation. In some of our comments, we may ask you to provide us with supplemental information so we may better understand your disclosure. After reviewing this information, we may or may not raise additional comments.

Please understand that the purpose of our review process is to assist you in your compliance with the applicable disclosure requirements and to enhance the overall disclosure in your filing. We look forward to working with you in these respects. We welcome any questions you may have about our comments or on any other aspect of our review. Feel free to call us at the telephone numbers listed at the end of this letter.

FORM S-3

General

1. Please include a table of contents in your prospectus, as required by Item 502(a) of Regulation S-K.

Prospectus Cover Page

2. Please delete the second, third, and fifth paragraphs from your prospectus cover page. To the extent this information is not already disclosed in the prospectus, you may include it under the Plan of Distribution section or the Use of Proceeds section.

Risk Factors

"Our net income may decline if our premium rates are not adequate,"  
page 1

3. We note your statement that states may approve a rate increase in the case of "unfavorable actual claims experience." Please list any other factors states consider in determining whether to approve or

deny a rate increase.

"We may be unable to service and repay our debt obligations if our subsidiaries . . . ," page 2

4. Please quantify the amount of your unrestricted insurance subsidiary funds as of the latest practicable date.

"The availability of reinsurance on acceptable terms and the financial stability . . . ," page 3

5. Please disclose what percentage of your business you reinsure.

6. In paragraph (i), please disclose whether you have ever experienced the failure of a reinsurer to pay in full and in a timely manner any material claims the company has presented to them. If so, provide appropriate disclosure.

7. Please expand paragraph (ii) to discuss what you would do in the event that a reinsurer cancels its participation on new business. For example, approximately how many companies could provide you with reinsurance services in the volume you require? Disclose the difficulties you would likely encounter in finding and negotiating an agreement for reinsurance from another source?

"Our financial strength ratings can affect our competitiveness and results of operations," page 3

8. Please revise the heading for this risk factor so that it states that your current financial strength rating is lower than several distributors' minimum acceptable rating.

9. Please tell us supplementally whether your company is currently being considered for a rating downgrade. If so, please discuss the implications for your business.

"Failure to maintain our information systems could adversely affect our business," page 4

10. If you believe your agreement with the independent third party to which you have "outsourced the operation of [your] data center" is material, please file it as an exhibit to your next periodic report. If you have already filed this agreement to a past report, please tell us which report it accompanies. If you do not believe it is a material agreement please supplementally explain to us why not.

11. Since you have been conducting "acquisition activities over the last year," you have presumably already begun to convert acquired policies onto your systems and, as a result, experienced some of the difficulties you list in the last sentence of this risk factor. If this is true, please identify which difficulties you have already experienced, and revise the heading for this risk factor so that it states that your business has already been, and will likely continue to be, adversely affected by information systems problems.

"We may not be able to find suitable acquisition candidates," page 4

12. Please expand this risk factor to clarify how you believe it could adversely affect investors.

"We may be required to refund or reduce premiums if our premium rates . . . ," page 5

13. Please expand this risk factor to discuss your past and current compliance with minimum loss ratios. For example, if state regulators have ever required you "to refund or reduce premiums." please disclose.

"We may not be able to compete successfully if we cannot recruit and retain . . . ," page 6

14. Please briefly discuss how your "financial position, support services, compensation and product features" compare to your competitors and how those attributes of your business have affected your ability to recruit agents and managing general agents. For example, do you feel that your "B++" financial strength ratio has

hampered your ability to recruit agents?

"Change of control provisions may adversely affect the value of our common stock," page 8

15. We note that numerous empirical studies have concluded that anti-takeover measures do not preclude unsolicited takeovers, have no major effect on the stock price of public companies not subject to takeover speculation, and actually lead to higher takeover premiums for target companies. See, for example, R. Comment & G. Schwert, Poison or Placebo? Evidence on the Deterrence and Wealth Effects of Modern Anti-takeover Measures, 39 Journal of Financial Economics 3 (1995). Accordingly, it does not appear that the risk, as framed in the risk factor heading, is an actual risk to investors. The exact risk should be clear from the heading, and the accompanying discussion must explain how the disclosed risk affects the issuer or the offering. It appears that the more significant risk to investors is how these measures may prevent or frustrate any attempt by shareholders to change the direction or management of the company. Please revise this heading and risk factor to more clearly disclose the actual risks of any applicable anti-takeover measures, or delete the risk factor.

Selling Shareholder, page 9

16. The Selling Shareholder table is somewhat confusing because it implies that Transamerica Retirement Services will offer more shares than it owns. Please revise the table so that the number of shares owned is greater than or equal to the number of shares to be offered. We note that based on footnote (1), it appears that you wish to distinguish the number of shares Transamerica holds in connection with the 401(k) Plan from the number it holds other than in connection with the 401(k) Plan. You may provide this breakdown in a footnote, but the table itself should include the total number of shares Transamerica owns. See Item 507 of Regulation S-K.

Incorporation of Certain Information by Reference, page 10

17. When incorporating information by reference, please include the file number of the previously filed document. See Rule 411(d) of Regulation C.

18. As your registration statement on Form 8-A was filed on July 11, 1983, please include a Description of Securities section in your Form S-3. See Item 202 of Regulation S-K.

19. Please note, to the extent you file any reports pursuant to Section 13(a) or 15(d) of the Exchange Act prior to effectiveness, you will be required to specifically identify such reports in a pre-effective amendment. See Item 12(a) of Form S-3.

20. Investors are entitled to rely upon reports incorporated by reference when they make their purchases. Therefore, please delete this paragraph or revise it to make this clear.

Special Note Regarding Forward-Looking Statements, page 12

21. We note your references to forward-looking statements. We are not making any determination of whether statements in any of your documents satisfy Section 27A of the Securities Act and Section 21E of the Exchange Act or the Private Securities Litigation Reform Act of 1995.

Exhibit 5.1: Legality Opinion

22. Please delete the following sentence from the legality opinion: "We have also assumed that the Common Stock was issued for proper and sufficient consideration, and that the certificates representing the Common Stock were properly issued." These assumptions undermine your ultimate conclusion that the shares are "legally issued."

FORM 10-K

Insurance Marketing and Distribution, page 8

23. We note your statement at the bottom of page 8 that "[i]n 2002,

two agents produced 6.4% and 5.8%, respectively, of [your] total annualized new sales." Please insert a risk factor into your Form S-3 that discloses your dependence upon these two agents and any other personnel upon whom you heavily rely, such as your executive officers. Or, if you feel that such a risk factor is not necessary, please supplementally explain to us why not. We may have further comments.

Senior Market Brokerage, page 14

24. Please identify any companies that reinsure a significant portion of your products, and file your agreements with these companies as exhibits to your next periodic report. If you have already filed these agreements as exhibits to past reports, please tell us which reports they accompany. If you do not feel any of your reinsurance agreements are material, please supplementally explain to us why not.

Competition, page 16

25. As reasonably available, please expand your discussion to disclose an estimate of the number of your competitors, your competitive position, the principal methods of competition, and positive and negative factors pertaining to your competitive position. See Item 101(c) (x) of Regulation S-K.

Item 1 - Business

Insurance Marketing and Distribution, page 8

26. Please expand your disclosures to define the term "issued annualized premiums" and how the amounts are calculated.

27. We note your disclosure of "Annuity Premium Equivalents". We do not believe it is appropriate to combine premium revenues with "Annuity Premium Equivalents," which is not revenue under GAAP. Please revise to remove these amounts from your schedules. We will not object if you present in a note to the table the amount of "Annuity Deposits" as long as you make it clear that these amount are deposits and not revenue under GAAP.

Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations

Results of Operations - Consolidated Overview, page 35

28. While we note that operating income is a measure of segment performance, the presentation of a "consolidated" segment profit or loss measure has no authoritative meaning outside of the SFAS 131 required reconciliation in the footnotes to your Consolidated Financial Statements. Please refer to Question 21 in our "Frequently Asked Questions Regarding the Use of Non-GAAP Financial Measures" on our website at [www.sec.gov/divisions/corpfin/faqs/nongapfaq.htm](http://www.sec.gov/divisions/corpfin/faqs/nongapfaq.htm) that we issued on June 13, 2003. Please remove all inappropriate non-GAAP measures and your related discussion of these measures.

Years Ended December 31, 2002 and 2001, page 35

29. In the paragraph discussing the increased income from your Career Agency segment, please quantify the dollar amounts that came from the two reasons you identify.

30. In the paragraph discussing the decreased loss from your Corporate segment, please quantify the dollar amounts caused by each of the two factors you identify.

Item 10 - Directors and Executive Officers of the Registrant, page 54

31. It appears that you have likely provided Bradley E. Cooper's, Susan S. Fleming's, and Robert A. Spass's business experience for the past five years, as required by Item 401(e)(1) of Regulation S-K. However, to remove all doubt that you have done so, please include the dates these individuals were employed in their various positions in the last five years.

32. Please provide the date at which Mark M. Harmeling began working as Managing Director of TA Associates Realty, and provide the start

and end dates for his tenure as President of Bay State Realty Advisors if it was in the last five years.

Item 13 - Certain Relationships and Related Transactions, page 57

33. We note your statement that information for this section is incorporated by reference from your proxy statement. We further note that your proxy statement does not contain a section specifically titled "Certain Relationships and Related Transactions," but it does discuss one related-party transaction on page 7, entitled "Board of Director Affiliations." Please supplementally tell us whether this was your only related-party transaction required to be reported under Item 404 of Regulation S-K.

FORM 8-K, August 4, 2003

Exhibit 99.1 - Press Release of Universal American Financial Corp. dated August 4, 2003

34. Please note that all non-GAAP measures disclosed in your exhibit must be identified and discussed in your Form 8-K.

35. We note your disclosure of "Pre-tax operating income, excluding investment gains", "Net operating income, excluding investment gains", "Net operating EPS, excluding investment gains", and "Revenues, excluding investment gains". The elimination of investment gains from the most comparable GAAP measure appears to have the effect of smoothing earnings. While the acceptability of a non-GAAP financial measure that eliminates recurring items from the most comparable GAAP measure depends on all facts and circumstances, we do not believe that a non-GAAP measure that has the effect of smoothing earnings is appropriate. In addition, we note that excluding investment gains have the following attributes:

- \* there is a past pattern of this item occurring in each reporting period;
- \* the financial impact of this item will not disappear or become immaterial in the future; and
- \* there is no unusual reason that the company can substantiate to identify the special nature of this item.

These attributes raise significant questions about the usefulness of these measures for investors and the appropriateness of its presentation in accordance with Item 10 of Regulation S-K. Please refer to "Frequently Asked Questions Regarding the Use of Non-GAAP Financial Measures" on our website. As you have not adequately disclosed the usefulness of this measure as required by Item 12 of Form 8-K, please remove all references to these measures.

36. You have not identified "return on equity, excluding the effect of FAS 115," "shareholders' equity excluding the unrealized appreciation of your investment portfolio," "fully diluted book value per share," and "Debt to total capital ratio" as non-GAAP measures in your disclosures and tables. Also, you have not disclosed the substantive reasons why management believes these non-GAAP measures provide useful information to investors or reconciled these amounts to the most comparable GAAP measure.

FORM 8-K, August 4, 2003

Exhibit 99.1 - Supplemental Financial Data furnished on Universal American Financial Corp.'s website on August 4, 2003

37. Based on the preceding Form 8-K comments, please revise your disclosures as appropriate.

38. As noted in our Form 10-K comment, the presentation of a "consolidated" segment profit or loss measure has no authoritative meaning outside of the SFAS 131 required reconciliation in the footnotes to your Consolidated Financial Statements. Please remove all inappropriate non-GAAP measures.

FORM 10-Q, March 31, 2003

Item 1. Consolidated Financial Statements

## Notes to Unaudited Consolidated Financial Statements

Note 3. Business Combination, page 8

39. Please expand your disclosures, and explain to us, the nature of the intangible asset identified as "distribution channel." Tell us how the recognition of this intangible asset complies with the guidance in paragraph 39 and Appendix A of SFAS 141.

Item 2. Management's Discussion and Analysis of Results of Operations and Financial Condition

Results of Operations - Consolidated Overview, page 19

40. Please refer to our preceding Form 10-K comment about the presentation of a "consolidated" segment profit or loss measure. Also, we note your disclosure of consolidated non-GAAP "pro forma operating income before taxes," "pro forma net operating income," and "net operating income" and non-GAAP per share amounts. Please refer to our preceding Form 8-K comment about the acceptability of a non-GAAP financial measure that eliminates recurring items, such as realized gains (losses) on investments. Please remove all inappropriate non-GAAP measures and your related discussion of these measures.

FORM 10-Q, June 30, 2003

41. Based on the preceding comments on your Form 10-Q for March 31, 2003, please revise your disclosures as appropriate.

Item 2. Management's Discussion and Analysis of Results of Operations and Financial Condition

Significant Transactions

Reinsurance Recapture, page 21

42. Please expand your disclosures to discuss the facts and circumstances related to American Pioneer's recapture of approximately \$48 million of Medicare supplement premiums that had been reinsured by Transamerica Occidental Life Insurance Company. Please discuss the significant terms of the agreement and the business reasons for recapturing these premiums.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Sensitivity, page 37

43. It appears that your New Credit Facility is subject to interest rate risk. Please provide the quantitative disclosures about this market risk using one of the three disclosure alternatives required by Rule 305(a) of Regulation S-K.

\* \* \*

As appropriate, please amend your documents in response to these comments. You may wish to provide us with marked copies of the amendment to expedite our review. Please furnish a cover letter with your amendment that keys your responses to our comments and provides any requested supplemental information. Detailed cover letters greatly facilitate our review. Please file your cover letter on EDGAR under the form type label CORRESP. Please understand that we may have additional comments after reviewing your amendment and responses to our comments.

We direct your attention to Rules 460 and 461 regarding requesting acceleration of a registration statement. Please allow adequate time after the filing of any amendment for further review before submitting a request for acceleration. Please provide this request at least two business days in advance of the requested effective date.

You may contact Donald Abbott at (202) 942-2819 or James Rosenberg at (202) 942-1803 if you have questions regarding comments on the financial statements and related matters. Please contact Greg Belliston at (202) 824-5219 or me at (202) 942-1840 with any other

questions.

Sincerely,

Jeffrey Riedler  
Assistant Director

cc: Irving I. Lesnick, Esq.  
Harnett Lesnick & Ripps P.A.  
Nationsbank Tower  
150 East Palmetto Park Road, Suite 150  
Boca Raton, Florida 33432-4832

Marita A. Makinen, Esq.  
Weil, Gotshal & Manges LLP  
767 Fifth Avenue  
New York, New York 10153

Richard A. Barasch  
November 14, 2003  
Page 1

Via Facsimile and U.S. Mail

Mail Stop 0309

November 23, 2004

Robert A. Waegelein  
Executive Vice President and  
Chief Financial Officer  
Universal American Financial Corp.  
Six International Drive, Suite 190  
Rye Brook, New York 10573

Re: Universal American Financial Corp.  
Form 10-K for the year ended December 31, 2003  
Form 10-Q for the quarter ended September 30, 2004  
File Number: 001-08506

Dear Mr. Waegelein:

We have limited our review of the above referenced filings to only those issues addressed below. Where our comments call for disclosure, we think you should revise your documents in response to these comments in future filings beginning with your Form 10-K for the year ended December 31, 2004, as appropriate. Please confirm that you will comply in future filings or if you disagree, we will consider your explanation as to why our comment is inapplicable or a revision is unnecessary. Please provide us a supplemental letter with detailed explanations keyed to our comments within 10 business days of the date of this letter or tell us when you will provide the letter prior to the expiration of the 10-day period. Please file your letter on EDGAR under the form type label CORRESP. Please understand that we may have additional comments after reviewing your letter.

Please understand that the purpose of our review process is to assist you in your compliance with the applicable disclosure requirements and to enhance the overall disclosure in your filing. We look forward to working with you in these respects. We welcome any questions you may have about our comments or on any other aspect of our review. Feel free to call us at the telephone numbers listed at the end of this letter.

Form 10-K for December 31, 2003

Item 7 - Management's Discussion and Analysis of Financial Condition and Results of Operations

Liquidity and Capital Resources

Contractual Obligations and Commercial Commitments, page 51

1. We note that you have not included any policy and contract claims liabilities to be paid in the contractual obligation table, and it would appear that these liabilities represent future legal obligations of the Company. Due to the significant nature of policy and contract claims liabilities to your business we believe the inclusion of these liabilities in the contractual obligation table will provide investors increased disclosure of your liquidity. The purpose of Financial Reporting Release 67 is to obtain enhanced disclosure concerning a registrant's contractual payment obligations and the exclusion of ordinary course items would be inconsistent with the objective of the Item 303(a)(5) of Regulation S-K. Based on the above factors, please revise your contractual obligation table to include the expected settlement of these liabilities. In addition please revise your sources of funds discussion to address the impact of the factors that impact liquidity at the subsidiary level including the impact of these payments on that liquidity.

Insurance Subsidiaries, page 55

2. Please include a robust discussion of the reasonably likely effect

that early policyholder withdrawals and the payment of claims will have on known trends and uncertainties, in particular cash outflows from operations. In the disclosure please include a discussion of your asset/liability management process and whether there are any significant variations between the maturity of your investments and the expected payment of your insurance and annuity contracts. Include a discussion of the impact of selling securities before anticipated or the use of credit facilities to pay for these liabilities will have on your future liquidity and results of operations.

Item 7A - Quantitative and Qualitative Disclosures About Market Risk

Interest Rate Sensitivity, page 59

3. Please expand your disclosures to discuss the risk management process for your interest sensitive insurance and annuity liabilities. Disclose how you manage and measure your exposure to fluctuations in interest rates, including a description of the results of your asset/liability management process and a related quantification of the relative sensitivity of your insurance liabilities to changes in interest rates.

Form 10-Q for September 30, 2004

Exhibit 12.01 - Computation of Ratio of Earnings to Fixed Charges

4. Please revise your presentation so that it clearly reflects the ratio that includes interest credited to contractholders as the primary ratio of earnings to fixed charges shown in this exhibit. Please include disclosure of the substantive reason why you believe the ratio before interest credited is meaningful to investors or delete it.

\* \* \* \* \*

Please contact Donald Abbott at (202) 942-2819, if you have any questions regarding the comments. In this regard, do not hesitate to contact me, at (202) 942-1803.

Sincerely,

Jim B. Rosenberg  
Senior Assistant Chief Accountant

Robert A. Waegelein  
Universal American Financial Corp.  
Page 1