

April Update:

April showers have come and gone. Let's look forward to those flowers that come in May! As some of you may know, April is Poetry month, and so in this Update I've included some April poems as well as some April quotes.

Congratulations to these companies who have renewed their IMSA membership:

Liberty Life Assurance Company of Boston

Security Mutual Life Insurance Company of New York

The first of April is the day we remember what we are the other 364 days of the year. Mark Twain

Over The Land Is April

OVER the land is April,
Over my heart a rose;
Over the high, brown mountain
The sound of singing goes.
Say, love, do you hear me,
Hear my sonnets ring?
Over the high, brown mountain,
Love, do you hear me sing?

By highway, love, and byway
The snows succeed the rose.
Over the high, brown mountain
The wind of winter blows.
Say, love, do you hear me,
Hear my sonnets ring?
Over the high, brown mountain
I sound the song of spring,
I throw the flowers of spring.
Do you hear the song of spring?
Hear you the songs of spring?

Robert Louis Stevenson



Why IMSA Still Matters by Kenneth J. Kalis, CLU and QIA

Twelve years ago, in April of 1998, IMSA publicly recognized its first members. These were Life Insurance Companies who had completed both a rigorous self-assessment and an independent



assessment by a Qualified Independent Assessor. But how did this all come about, and why? To quote myself from a 1999 National Underwriter article:

When the Insurance Marketplace Standards Association was created it was done as an industry effort to build consumer trust and confidence in the life insurance and annuity industry so that companies could improve their marketing efforts. The CEO panel that put together the IMSA process was looking at it as a strategic effort to build customer confidence and improve the bottom line. (November 8, 1999)

The CEO's mentioned came together under the aegis of the ACLI to address some serious problems facing the life insurance industry. What were they?

- highly publicized scandals about unethical marketing,
- regulatory action including heavy fines,
- class action lawsuits costing billions
- flat sales
- loss of public trust.

The BIG problem was that people were losing trust in the life companies and the federal government was talking about regulation to address the issue. Not only were customers lacking trust (only 18% agreed that insurers were "honest in dealing with their customers"), but sales were flat, revenues were down and the future of the entire industry was at stake. MDRT reported that four out of five agents lost sales because of ethical market conduct issues.

Fortunately for us, CEO's from more than a dozen companies got together to take action. Building upon an earlier process developed by one of the big 5 accounting firms to restore trust in the defense industry, these top executives came up with the now famous (and copyrighted) IMSA process that:

- used as its ethical basis six principles drawn from the life insurance industry,
- created 27 specific standards around them
- built a supporting standards structure of 340 indicators

- mandated a rigorous two-step audit procedure
 - a self-assessment by internal company insurance people
 - followed by a rigorous independent assessment
- developed standards to create a corps of specially accredited professionals
- created detailed content-rich training programs in both the content of the IMSA standards and the methodology necessary to certify compliance with the standards
- deployed the training nationally and periodically
- encouraged wide participation
- required continuous improvement and reassessments every three years.

And what happened? It worked! The commitment of the CEO's showed the company people they were serious about doing the right thing. The company people gave themselves wholeheartedly to the IMSA effort; the agents saw this and soon the customers did too. The trust came back, and so did sales and revenues. Companies who were not a part of the original group clamored to join, and membership peaked. All went well for a couple of cycles; then, when public trust had been restored, some of the members became complacent. Others looked for more; "Where's the bang for our buck?" they asked.

Members demanded that IMSA take steps to secure regulatory recognition, and, obligingly, secured some expertise in this area. Changes and updates were made; every state DOI was visited and the Departments of nine states (New York, Massachusetts, Iowa, Indiana, Oregon, Texas, Maine, Pennsylvania and North Dakota) issued formal bulletins or statements concerning the use of IMSA and the information derived through its qualification process for market analysis purposes.



IMSA also began to be recognized at the Federal level. In 2004, IMSA testified before Congress. IMSA Executive Director Brian Atchinson told the House Financial Services Oversight and Investigations Subcommittee "***IMSA offers a blueprint for solutions to ensure consumers' honesty, fairness and integrity in their insurance transactions that neither regulators nor companies alone can provide.***"

That statement is as true today as it was then. Beneath it lies the idea of an industry partnership. Better still, an industry community that functions as a support system and motivating mechanism for the building of an industry culture of compliance. How? by giving companies a process and access to expertise and best practices that can help every member company to a world class level in ethical marketing and commitment to integrity.

IMSA provides all the pieces for this mechanism to deliver continuous improvement. The IMSA Board of Directors as well as the CEO's of member companies provide the direction and set the course. These leaders stimulate commitment as they "walk the talk" steer their companies toward excellence over the long haul. They strive, as one CEO told me, "to be sure I deliver a stronger more ethical and more prosperous company to my successor's successor."

Key elements of success include a clear vision that IMSA is not merely a “compliance” issue, but a marketing commitment. The IMSA Board and companies CEO’s have to win the commitment of their marketing people by being role models themselves. One key to this is showing that IMSA membership is part of each company’s brand, its most valuable asset. Everyone in each member company must not only understand this but also learn how to translate it into reality. That means making every job and every business processes reflective of excellence and continuous improvement in using the IMSA standards to produce customer satisfaction.

Although each company must of necessity work within its own organizations, no company can “go it alone.” The experience and expertise of each shared throughout and within the IMSA membership community will have an elevating impact upon all. Education and organizational learning is supplied to member companies through the self and independent assessment process. It is here that the crucial role of the Qualified Independent Assessors unfolds. These highly qualified professionals, trained by IMSA, are usually the ones who have reached out to the company and led it into IMSA membership. Through them, the detailed knowledge of the IMSA standards and process for meeting them is communicated. They not only assess, but often advise, encourage and share best practices from other IMSA companies. They also track the companies’ progress over the years.

As a Qualified Independent Assessor myself, I can attest to the power of the IMSA process to transform companies for the better. When IMSA began, most companies did not even have a compliance team to support the insurance marketing effort. Those who did often found themselves caught between in a struggle between the creative and action-oriented marketers and the cautious and lawyerly compliance people, often regarded as the “sales-prevention” department. In earlier days, what compliance departments did exist were often found in the law department or



another silo that inhibited communication and cooperation with the marketing team. Over the years and successive IMSA cycles, these walls have been broken down. Today IMSA companies have a much more holistic approach to ethical marketing, seeing integrity and customer care as competitive advantages that strengthen the company’s brand and add to the bottom line.

The president of one recently renewing IMSA company told me, “At first we had no active compliance function. Then we had silos and the “us vs. them mentality,” Next we learned the importance of good compliance to solid selling. At the annual agents meeting we’d have the marketing guy talk and then the compliance guy. Now, we talk about “building the house the right way,” and everyone is part of the ongoing effort to serve our customers by meeting their needs with the best products and services we can develop.”

Of course such macro-developments take time and have developed over 3, 4 or 5 IMSA cycles. That’s why it’s crucial for companies to stay the course and not “become weary in well-doing.” And these transformations are the result of the improvement of many business processes, at both the macro and micro level. For example, when IMSA began having a widely disseminated



toll free number was a rarity often cited as a best practice. Today it is SOP for IMSA companies.

Such little things mean a lot. They build over the years. One company I recently assessed had no personal computers for its staff when they first sought IMSA membership. They joked about entry into the new century as being the 20th century for them. They seemed to be caught in a time-warp by their own success, resisting change and content with business as usual. But through much hard work and commitment through 4 IMSA cycles this

company boasted 18 best practices when it renewed its membership this year.

At the macro level, CEO's, Chief Marketing Officers and General Counsels often had little idea of what their companies' were doing in regard to building a culture of integrity and ethical market conduct. IMSA introduced the self and independent assessment process. This not only involved the people working for these executives but encouraged their own personal involvement. Some of this came through face to face interviews with Qualified Independent Assessors. As a part of this organizational learning, senior officers talked with the IMSA Assessors about their roles in building companies of integrity. They also got independent updates on them how their people were doing in improving their ethical marketing efforts.

IMSA still matters for all the reasons stated above. But its genius lies, I believe, in its success in institutionalizing continuous improvement through the creation of an industry-wide community committed to success by living by the Golden Rule and living up to the highest standards of ethics and integrity. When IMSA began, continuous process improvement was a "flavor of the month" fad under many trendy names, like TQM (Total Quality Management) or Process Re-engineering or Six-Sigma, already passé. But the IMSA process created a system built upon continuous improvement that provided for Executive Leadership, a sound and detailed methodology based on industry principles of ethics supported by a corps of highly qualified credentialed independent professionals to work with key company people to build consumer trust through a long-term commitment to doing the right thing for the customer, which turns out is also the right thing for the companies too.

***Republicans believe every day is the Fourth of July,
but the democrats believe every day is April 15.***

Ronald Reagan

IMSA Drop-outs Pay Millions in Recent Regulatory Actions

Several former IMSA companies have been lately in the news. MetLife, Nationwide, AXA and Guardian must pay \$13.5 million, \$2.1, \$1.9 million and \$64.500 after recent actions by federal and state regulators.

MetLife's payment was made to "resolve the allegations it did not disclose the alleged payments to customers or report it under the Employee Retirement Income Security Act of 1974 (ERISA)."

The Feds said MetLife made millions from obtaining business of major corporate clients and beating out its competition in the marketplace through the use of the improper payments.

MetLife knowingly implemented a program of undisclosed and unreported payments to an unnamed brokerage firm and its chief executive officer to recommend MetLife to clients. The MetLife sales force also was instructed to leverage the improper payments to promote products by the insurer. An agreement calls for MetLife's continuing cooperation regarding any investigations arising out of the conduct described in the settlement. John Calagna, vice president of public relations for MetLife, told IFAwebnews.com the settlement "relates to contingent compensation and other payments made to a particular broker more than five years ago. "We are pleased to put the matter behind us," Calagna said.

According to the allegations, MetLife made the payments without the proper disclosure, denoting them as communication fees, request for proposal (RFP) fees or enrollment fees. The hidden fees were generally included in rates the life insurer charged its policyholders. "Insurance commission and fee disclosures are designed to promote and ensure transparency," said Karen Hewitt, the U.S. Attorney for the Southern District of California. "Any effort by an insurance company to conceal the payment of improper fees or commissions will not be tolerated."



(Read more at <http://ifawebnews.com/2010/04/16/metlife-pays-13-5-million-to-settle-contingent-commission-case/>)

Nationwide life insurance affiliates are paying \$2.1 million to 5 states (California, Kansas, Minnesota, Missouri and Wisconsin) settle allegations of unsuitable variable annuity sales. The 5 states conducted a multistate market conduct exam to investigate allegations on the sale of annuities designed by Nationwide Life Insurance Company and Nationwide Life and Annuity Insurance Company.

According to a February report in Insurance Compliance Insight, the annuities were actually sold by Kansas-based financial adviser Waddell & Reed, but Nationwide is paying the settlement because Nationwide didn't verify the adequacy of Waddell & Reed's supervision and control. This opened the possibility that these products would be sold consumers who didn't fully understand the products and their suitability. Nationwide didn't admit to the allegations that it violated any law or regulation when it signed the settlement.

Waddell & Reed advisors allegedly made the recommendations without having reasonable grounds for believing they were suitable. Altogether, customers surrendered 6,742 UILIC annuities worth about \$616 million. Nearly 5,000 of them incurred surrender charges totaling more than \$9.6 million. They also paid \$10 million in fees for those transactions.

Nationwide will incur much more than the \$2.1 million fine to make amends with consumers.

For eligible consumers, Nationwide will:

- reimburse any surrender charge incurred by exchanging policies;
- rescind some of the riders the consumer purchased;
- increase death benefits for those who purchased a Select Plus variable annuity with the Extra Value Rider.



As a part of this process, Nationwide must mail a notice to any person eligible for reimbursement or policy modifications. Those customers will soon receive a notice from Nationwide Life outlining their restitution options, and they will have 60 days from the day of delivery to respond.

Read more in the February 8 edition of Insurance Compliance Insight which you can find at this address: <http://www.ins-compliance.com/article.cfm?id=1543>

AXA Equitable Life Insurance Co. paid a \$1.9 million fine for violating New York's insurance laws for making inaccurate or incomplete disclosures to consumers who bought replacement annuity contracts and life insurance policies between 2001 and 2006.

According to the New York Department, the New York-based insurer's violations were found in a routine market conduct examination and included making inaccurate or incomplete disclosures to consumers buying replacement annuity contracts and life insurance policies. No consumers lodged complaints about the practice, according to a statement from James J. Wrynn, New York insurance superintendent.

In its review of AXA's records from Jan. 1, 2001, to Dec. 31, 2005, the regulators said they found other violations, including using an unapproved policy form in connection with its Equi-Vest product; failing to provide information required for accelerated benefit claims to policyholders; failing to obtain written informed consent prior to subjecting the applicant to HIV-related testing; and failing to maintain required documents and information necessary to reconstruct claims in certain cases involving variable annuity claims.

Read more at <http://ifawebsite.com/2010/03/29/axa-equitable-life-pays-1-9-million-fine-for-new-york-infractions/>

The Guardian Life Insurance Co. of America must pay \$62,000 in fines after a market conduct examination in Virginia found violations, including improper handling of claims.

The market conduct examination discovered failures to comply with policy and form requirements and with the state's unfair claims settlement practices laws. Other issues arising from the examination were that Guardian:

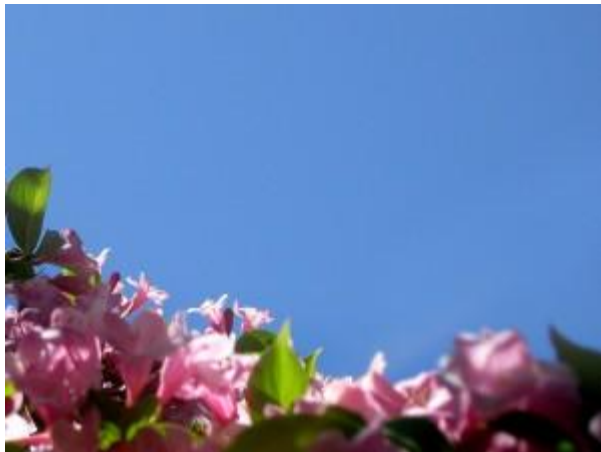
- failed to maintain a complete complaint register,
- failed to comply with agent licensing requirements,
- failed to comply with provisions relating to accident and sickness insurance,
- failed to comply with requirements for complaint systems for MCHIPs
- failed to properly handle claims, records show.

The settlement requires Guardian to comply with a Corrective Action Plan set forth by the Virginia Department.

This story originally appeared in the April 2010 print edition of Insurance & Financial Advisor.

Read more about this at <http://ifawebnews.com/2010/04/14/guardian-life-pays-62500-fine-after-virginia-review/>

It's sad to see these actions for these companies, and sadder still because many of the shortcomings could have been uncovered during an Independent Assessment, (although the process currently does not cover claims and health insurance issue). Our hope is that the good that will emerge from all this will be a greater appreciation of the value of companies' continuing involvement is ongoing self-assessments and independents assessments which can uncover noncompliance issues before fines are levied and bad publicity tarnishes the brand of companies that have worked so hard to demonstrate high integrity and ethical standards.



***Men are April when they woo,
December when they wed.
Maids are May when they are
maids, but the sky changes
when they are wives. William
Shakespeare***

It's Not Just Government

Millions of Americans are not happy with the government. The Pew Research polling for March 11-21 showed that only 25% of Americans have a positive view of the Federal Government, while 65% have a negative view. Phew !! (pun intended.)

But now the rest of the story. The Federal Government is not the only one the public is unhappy with. Two other groups rank even lower: Congress and, you might have guessed it, Banks and Financial Institutions (including life insurance and annuity companies. Here's what the numbers look like:

Perception of the institution:& impact on the United States	Positive Impact	Negative Impact
Banks and Financial Institutions (including life insurers)	22%	68%
Congress	24%	65%
Federal Government	25%	65%
Large Corporations	25%	64%

Churches and religious organizations	63%	22%
Small businesses	71%	19%

While all of us are concerned about the anti-government sentiment, we need also to be concerned that the ratings are just as low for the impact of large corporations (25% positive) and banks and other financial institutions (22%). That number for financial institutions is dangerously close to the 18% trust rating in the 1990's when the industry was in crisis and moved to create IMSA to address the issue. According to the analysis of the Pew Research numbers, fewer than one-in-five of those who say they are frustrated (18%) or angry (16%) with the federal government say that banks and other financial institutions have a positive effect on the way things are going in the country.

For all the details and further analysis got to: <http://pewresearch.org/pubs/1569/trust-in-government-distrust-discontent-anger-partisan-rancor>

Elections should be held on April 16th- the day after we pay our income taxes. That is one of the few things that might discourage politicians from being big spenders. Thomas Sowell

Annuity Suitability: Evolving Challenges

The Annuity Suitability: Evolving Challenges webinar will address the recently adopted Annuity Suitability Model Regulation. Maureen Closson (Senior VP and CCO of AVIVA USA), Jim Mumford (First Deputy Insurance Commissioner for the state of Iowa) and Don Walters (IMSA) are scheduled to present. Join us for an engaging discussion about the interpretation of recent changes to the Model Regulation, what measures companies are putting in place to manage these developments, and what compliance departments need to know moving forward.

 To register for this free online event

1. Go to <https://imsaevents.webex.com/imsaevents/onstage/g.php?d=931845051&t=a&EA=kenkalis%40gmail.com&ET=f78b5bb3eacfae4c531c07211bab63bb&ETR=a701be10071b368a6dfce6ca0541a86d&RT=MiMxMQ==&p>
2. Click "Register".
3. On the registration form, enter your information and then click "Submit".

 For assistance

You can contact Alex Herrera-Davila at:
admin@imsaethics.org

<http://www.webex.com>

An April Night

*The moon comes up o'er the deeps of the woods,
And the long, low dingles that hide in the hills,
Where the ancient beeches are moist with buds
Over the pools and the whimpering rills;*

*And with her the mists, like dryads that creep
From their oaks, or the spirits of pine-hid springs,
Who hold, while the eyes of the world are asleep,
With the wind on the hills their gay revellings.*

*Down on the marshlands with flicker and glow
Wanders Will-o'-the-Wisp through the night,
Seeking for witch-gold lost long ago
By the glimmer of goblin lantern-light.*

*The night is a sorceress, dusk-eyed and dear,
Akin to all eerie and elfin things,
Who weaves about us in meadow and mere
The spell of a hundred vanished Springs.*

■ **Lucy Maud
Montgomery**



IMSA Today

April 26, 2010

Social Media Policy Template Released Today

IMSA has expanded its efforts to provide compliant social media guidance and resources within the annuity, life insurance and long term care insurance arenas with today's release of the IMSA Social Media Policy Template.

The IMSA Social Media Policy Template was designed to allow companies to gain the benefits of social media communication in a compliant manner. The growth of social media as a communications tool makes outright prohibitions against its use outdated and impractical. The IMSA Social Media Policy Template is available at www.IMSAethics.org for all industry stakeholders, including both IMSA-qualified and non-IMSA-qualified insurers. .

“With so much change in electronic communication and the marketing of insurance and financial products, social media solutions and guidance are extremely important at this time,” said Brian Atchinson, IMSA President and CEO. “The emergence of social media challenges proves

clearly that compliance is not a static endeavor, but rather one that grows, changes, and requires evolving standards and policies.”

Future plans include:

The release of social media monitoring and testing guidance that can be incorporated into an insurance company’s supervisory programs.

A social media training program for both insurance company staff and the company’s selling partners.

Liberty Life Renews IMSA Qualification

Congratulations to Liberty Life Assurance Company of Boston for successfully renewing its IMSA qualification. Visit www.IMSAethics.org to learn more about IMSA qualification and other IMSA services.

May 5th Annuity Suitability Webinar

Next up in IMSA’s popular webinar series is Annuity Suitability: Evolving Challenges, to be held on May 5, 2010. The webinar will address the recently adopted Annuity Suitability Model Regulation. Maureen Closson (Senior VP and CCO of AVIVA USA), Jim Mumford (First Deputy Insurance Commissioner for the state of Iowa) and Don Walters (IMSA) are scheduled to present. Looking ahead to summer, future webinar topics will be hosted on Fraud detection/AML as well as the practical application of Business Ethics in a new economy. Contact John Travagline at JohnTravagline@IMSAethics.org or (240) 744-3023 with any questions or to reserve your seat!

June 10th IMSA Annuities Regulation Summit

The world of annuities is changing, and industry leadership must respond to these developments swiftly. To that end, IMSA, in consultation with AARP and leading state insurance regulators, will host Retirement Security in a Regulated Marketplace: Annuities in 2010 & Beyond, a Summit Meeting on June 10, 2010 in Washington, D.C., to consider the changes taking place in the annuities marketplace and its evolving regulation.



State and federal regulators, consumer advocates, insurance companies, distributors and other key stakeholders will convene from 10:00 am to 4:00 pm to explore suitability issues and consumer protection challenges as a changing economic and regulatory landscape is navigated. Please contact Margie Lopez at MargieLopez@IMSAethics.org or (240) 744-3025 with any questions to learn more about the event or to inquire about sponsorship opportunities.

Upcoming Meetings

Future industry events in which you may be interested include:

- April 25-28 2010 AALU Annual Meeting – Washington, DC
- April 26 IMSA Producer Advisory Group Meeting – Washington, DC
- May 5 IMSA Annuity Suitability Webinar
- May 26–28 FINRA Annual Conference – Baltimore, MD
- June 10 Retirement Security in a Regulated Marketplace: Annuities
 in 2010 & Beyond
 IMSA Annuities Regulation Summit – Washington, DC

To submit comments or to cancel your email subscription at any time, please contact Jennifer Kalita at JenniferKalita@IMSAethics.org.

Absent Place -- an April Day

*Absent Place -- an April Day --
Daffodils a-blow
Homesick curiosity
To the Souls that snow --*

*Drift may block within it
Deeper than without --
Daffodil delight but
Him it duplicate --- Emily Dickinson*



IMSA Today

April 6, 2010

“Compliance Officers Leading the Way for Social Media Use,” Say Experts

At the recent LIMRA-LOMA Compliance & Market Conduct Exchange conference, one of the most anticipated presentations focused on social media. Marketing consultants, FINRA and IMSA shared their views on the tremendous opportunity that social media provides, the regulatory pitfalls that must be avoided, and next steps for effectively managing these risks.

Joseph Price, Senior Vice President, FINRA, explained how FINRA Regulatory Notice 10-06 provides an opportunity for producers to use social media but stressed that this use requires effective supervision. He noted that some firms may determine that the use of social media “may not work for them...it’s a decision that each firm must make.” Kip Gregory, an expert in the use of social media, commented that “this is not just a great opportunity for the business, but

also for compliance professionals. It gives compliance the opportunity to be the thought leaders on this topic and facilitate its implementation into the business.”

When asked where companies should begin, John Travagline of IMSA suggested an important first step is to establish a committee comprised of a diverse group of company people with various areas of expertise - not just compliance. “While compliance officers are leading the way, marketing, communications and technology people should be at the table also,” he said.



“The group should focus on developing a business strategy for the use of social media, as well as the development and implementation of a clear social media policy.”

Are you concerned about the daunting task of drafting an entire social media policy? IMSA’s Social Media Policy Template will be available next week...stay tuned for the announcement.

***Oh, to be in England
now that April's there.***
Robert Browning

Security Mutual Renews IMSA Qualification

Congratulations to Security Mutual Life Insurance Company of New York for successfully renewing its IMSA qualification. Visit www.IMSAethics.org to learn more about IMSA qualification and other IMSA services.

NAIC Spring Meeting – Summary Report

The National Association of Insurance Commissioners (NAIC) met in Denver, Colorado for its 2010 Spring National Meeting from March 26-28. A summary of key events, including voting on the Suitability in Annuity Transactions Model Regulation, stranger-originated annuities action, and 2010 Committee work plans for disclosures, market regulation and consumer affairs, among other issues, is available to IMSA-qualified companies in the Members section at www.IMSAethics.org.

Annuity Regulation and the Marketplace

The world of annuities is evolving, and industry leadership must respond to these changes both comprehensively and swiftly. The NAIC formally adopted revisions to its Suitability in Annuity Transactions Model Regulation at the NAIC Spring National Meeting in Denver, Colorado on March 29. The Working Group also issued an Executive Summary to interpret key provisions of the revised version of the Model Regulation.

IMSA and AARP recently met with CT Commissioner Sullivan (Chair of the Life Insurance and Annuities (A) Committee which developed the Model Regulation) and with NH Commissioner Sevigny (Chair of the NAIC Market Regulation and Consumer Affairs (D) Committee that will

guide how analysis and examinations will be conducted to determine compliance with the Model Regulation). IMSA and AARP will host a summit on June 10, 2010 in Washington, D.C. to consider the changes taking place in the annuities marketplace and its evolving regulation. We invite all IMSA-qualified companies and Affiliate Partners to mark your calendars and plan to attend!

April

No one's despair is like my despair--

*You have no place in this garden
thinking such things, producing
the tiresome outward signs; the man
pointedly weeding an entire forest,
the woman limping, refusing to change clothes
or wash her hair.*

*Do you suppose I care
if you speak to one another?
But I mean you to know
I expected better of two creatures
who were given minds: if not
that you would actually care for each other
at least that you would understand
grief is distributed
between you, among all your kind, for me
to know you, as deep blue
marks the wild scilla, white
the wood violet. **Louise Gluck***



Affiliate Partnership Opportunities Now Online

IMSA's Affiliate Partnership Program is designed to enhance awareness of sound market conduct and ethical business practices throughout the insurance and financial services marketplace. While IMSA membership is available only to life insurance companies, many non-carrier businesses support these principles and the important solutions that IMSA provides. IMSA welcomes Affiliate Partners from a variety of business specialties who have principles, policies, products or services consistent with the IMSA mission. Please visit www.IMSAethics.org for more information or to apply as an affiliate partner.

***April is the cruellest month.* T. S. Eliot**

See You in the Summer?

The Kenneth J. Kalis Company has again been invited to be an exhibitor at the annual ACLI Compliance and Legal Sections Annual Meeting, this year in beautiful Ft. Lauderdale, FL. This will be our 12th year of attending this important event where we have presented scores of our Excelsior Awards to companies for best practices discovered during our independent assessments. This year we have one company who had 18, yes, 18 count 'em, best practices. We hope to see many of you there. Please stop by and say "hello" at our booth.

ACLI 2010 COMPLIANCE & LEGAL SECTIONS ANNUAL MEETING

Marriott Harbor Beach Resort & Spa
FORT LAUDERDALE, FL

JULY 13-15



We are pleased to announce the 2010 Compliance and Legal Sections Annual Meeting program and planning are underway. This year's program creates a message of hope around continued growth and opportunity for the financial sector. We are making decisions around regulatory reform, technology and risk associated with a changing environment. Most importantly, we are in a position that includes review of current business models and the way we do business in our companies. The reality of potentially resetting the footprint of our compliance and legal departments is the focal point of this program.

Program Highlights

- Moving at the speed of reform and creating a new roadmap
- Building a compliance culture in a small company environment
- Rule 38a-1 – five years later
- Hidden traps of technology
- Ethical ins and outs of hotlines
- Social Networking – going beyond Facebook and Twitter
- Electronic Commerce – compliance in an electronic environment
- Litigation update
- AML Risk Assessment
- Technology and liability – what does that mean to compliance and legal departments
- Ethical fruits and nuts

Registration

[Online meeting](#) and [hotel registration](#) are now open! Early-bird deadline for registration and hotel is June 16.

Official programming begins on Tuesday, July 13 at 11:00 am. We have made every effort to provide presentations that appeal to both compliance and legal disciplines. There are no restrictions on attendance, all sessions are open. This program is CLE eligible, and accreditation is valid in most jurisdictions requiring mandatory continuing legal education and includes 2 hours of Ethics. CLE forms will be available onsite.

For additional answers please contact conference development at 202-624-2404 or visit the website – www.acli.com/events.

Always Marry An April Girl

*Praise the spells and bless the charms,
I found April in my arms.
April golden, April cloudy,
Gracious, cruel, tender, rowdy;
April soft in flowered languor,
April cold with sudden anger,
Ever changing, ever true --
I love April, I love you. ---Ogden Nash*



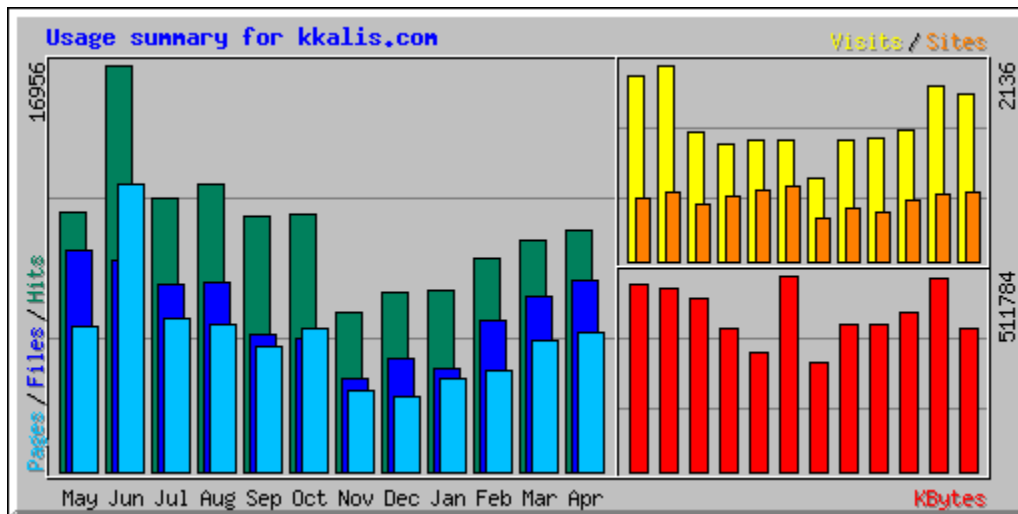
Best Practice of the Month – Budgeting for the Worst

One of the great challenges of getting IMSA “right” is the commitment of adequate resources, both human and financial. Often companies are put into a budgetary vise when their IMSA renewal year approaches because they have not allocated the resources they need to complete the renewal process. Your IMSA costs should be a segment of your ongoing marketing costs, and one company we have given an Excelsior Award to has not only done this, but also put aside a reserve for unexpected contingencies. What if, the company reasoned, there were a major terrorist attack on the city where our largest number of policyowners reside? Estimating the financial impact this would pose, the CFO set aside a reserve fund for that amount which was available for use to sustain the level of policy dividends in the recession when the attack did not occur. The process is then repeated for the next year so that there is always a reserve available for emergency spending.

***Long stormy spring-time, wet contentious April,
winter chilling the lap of very May; but at length
the season of summer does come.*** Thomas Carlyle

What’s Up at the Kenneth J. Kalis Company

We are looking forward to spring and preparing our Excelsior Awards for 2009 and for our exhibit at the ACLI Compliance and Legal Meeting in Ft. Lauderdale. We hope to see you there. Business is still slow, as some of our scheduled clients are not renewing their IMSA membership, but we are hoping for an upswing as the year goes on. Our website continues to attract visitors, and we are trusting that an improved economy and an awareness of the importance of IMSA membership will turn some of these visits into business for us.



Summary by Month										
Month	Daily Avg				Monthly Totals					
	Hits	Files	Pages	Visits	Sites	KBytes	Visits	Pages	Files	Hits
Apr 2010	335	266	192	60	758	375672	1812	5771	7983	10067
Mar 2010	310	236	177	61	721	505916	1910	5511	7329	9626
Feb 2010	317	226	149	51	674	414667	1429	4189	6330	8896
Jan 2010	242	138	125	43	533	383848	1335	3895	4298	7529
Dec 2009	239	151	101	42	568	386083	1316	3161	4708	7438
Nov 2009	221	130	111	30	475	287127	907	3348	3901	6632
Oct 2009	346	180	191	42	818	511784	1310	5951	5595	10741
Sep 2009	353	191	173	44	773	310788	1322	5203	5750	10618
Aug 2009	386	254	198	41	715	372656	1273	6149	7885	11976
Jul 2009	367	252	206	45	627	449881	1399	6412	7815	11389
Jun 2009	565	294	400	71	761	477756	2136	12004	8820	16956
May 2009	349	297	196	65	689	488660	2018	6090	9219	10829
Totals						4964838	18167	67684	79633	122697

Generated by [Webalizer Version 2.01](#)

Many of the quotations cited here can be found at: www.brainyquotes.com

Many of the poems can be found at: <http://famouspoetsandpoems.com/>

The photographs of spring scenes are from Sharefaith Clipart service.

Non-IMSA Close: This was sent to me by an old friend ("old" meaning a friend of long-standing, not "aged". The simple analogy holds a powerful and positive message.

Clay Balls

A man was exploring caves by the seashore. In one of the caves he found a canvas bag with a bunch of hardened clay balls. It was like someone had rolled clay balls and left them out in the sun to bake. They didn't look like much, but they intrigued the man, so

he took the bag out of the cave with him. As he strolled along the beach, he would throw the clay balls one at a time out into the ocean as far as he could.

He thought little about it, until he dropped one of the clay balls and it cracked open on a rock. Inside was a beautiful, precious stone!

Excited, the man started breaking open the remaining clay balls. Each contained a similar treasure. He found thousands of dollars worth of jewels in the 20 or so clay balls he had left.

Then it struck him. He had been on the beach a long time. He had thrown maybe 50 or 60 of the clay balls with their hidden treasure into the ocean waves. Instead of thousands of dollars in treasure, he could have taken home tens of thousands, but he had just thrown it away!

It's like that with people. We look at someone, maybe even ourselves, and we see the external clay vessel. It

doesn't look like much from the outside. It isn't always beautiful or sparkling, so we discount it.

We see that person as less important than someone more beautiful or stylish or well known or wealthy. But we have not taken the time to find the treasure hidden inside that person.

There is a treasure in each and every one of us. If we take the time to get to know that person, and if we ask God to show us that person the way He sees them, then the clay begins to peel away and the brilliant gem begins to shine forth.

May we not come to the end of our lives and find out that we have thrown away a fortune in friendships because the gems were hidden in bits of clay. May we see the people in our world as God sees them.

*I am so blessed by the gems of friendship I have with you.. Thank you for looking beyond **my clay vessel.***
*APPRECIATE EVERY SINGLE
THING YOU HAVE, ESPECIALLY YOUR*

FRIENDS!

LIFE IS TOO SHORT AND FRIENDS ARE TOO FEW!

Pass this on to another Clay Ball!!!

Do not ask the Lord to Guide your Footsteps if you are not willing to MOVE your Feet'

The author of the above piece is unknown. Let us know if you have any leads and we will give that person full credit. An online version of this can be found at:

<http://www.tentmaker.org/newinspiration/clayballs.htm>

Thank you all for your continuing interest in IMSA, ethical market conduct and the Kenneth J. Kalis Company. God bless you! Hope to see you soon!

Ken Kalis

IMSA?...We can help!

352-505-0705

And we **know** that **all things** work together for good to them that love God, to them who are the called according to his purpose. Romans 8:28