

August

Update for IMSA Friends:

Dear IMSA Friends:

Whew! Some like it hot, they say. Well this has been their month! I escaped the heat for a little while up at Brant Lake, NY in the Adirondacks but now am back in still sizzling Florida. Hope you enjoy this update that features some lesser know August holidays!

Congratulations: **American Family Life**

Insurance Company of Madison, WI, for successfully renewing its IMSA qualification.

Interest in IMSA Peaking?

We are encouraged by the latest statistics on hits on the Kenneth J. Kalis Company web site, which shows the visits in August as higher than is any other month over the past year. Our hope is that this is related to our promotion of IMSA at the ACLI Legal and Compliance Meeting in Ft. Lauderdale in July and to our continuing marketing efforts following. IMSA was gracious enough to provide us with some good materials for that effort including "What Key Constituents Are Saying About IMSA." You can get this excellent piece directly from IMSA or from us; we also offer some other pieces of interest, including "Why IMSA Still Matters," and "What Are the Benefits for My Company?" Call 352-505-0705 or email kkalis@kkalis.com. All materials are free.

We also encourage all companies preparing to renew their membership, or companies seeking membership for the first time, to avail themselves of our expertise, deep experience and proven track record of excellent customer service in helping companies reach their IMSA goals.

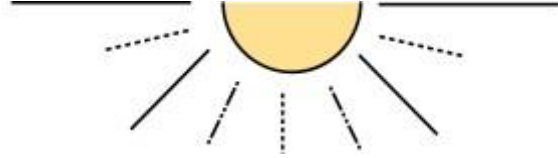
August 1, 1779: Francis Scott Key:



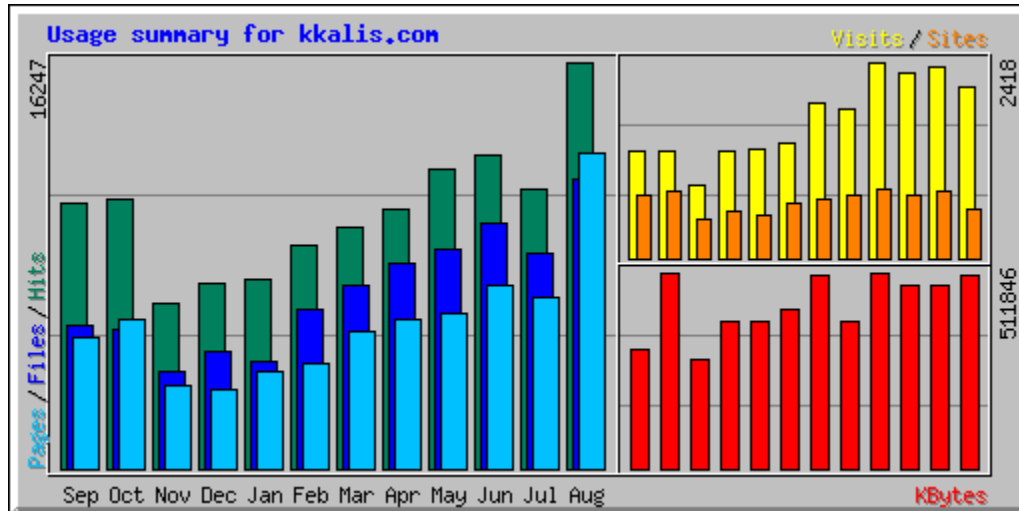
FRANCIS SCOTT KEY.

The patriot who feels himself in the service of God, who acknowledges Him in all his ways, has the promise of Almighty direction, and will find His Word in his greatest darkness.





Usage Statistics for kkalis.com Summary Period: Last 12 Months Generated 27-Aug-2010 04:10 PDT

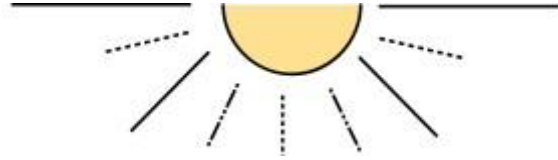


Summary by Month										
Month	Daily Avg				Monthly Totals					
	Hits	Files	Pages	Visits	Sites	KBytes	Visits	Pages	Files	Hits
Aug 2010	601	427	467	78	616	501718	2117	12634	11547	16247
Jul 2010	359	278	221	75	824	480358	2352	6875	8627	11152
Jun 2010	417	325	243	75	783	477848	2279	7293	9768	12513
May 2010	386	283	199	78	839	511846	2418	6188	8775	11985
Apr 2010	346	272	199	61	768	385427	1842	5998	8169	10394
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
Totals						5157410	20537	70246	84797	123771

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Ken Kalis Interviewed by Best's



Just before I went on vacation, I received a call from Rom Panko at Best's Review. Ron did a story on IMSA last July, and we talked this year about what has happened since. Unable to connect with an IMSA spokesman, Best's decided to do a story on Independent Assessors, which has already appeared in electronic media on August 9, and which you can read at this link:

[As IMSA Membership Falls, So Does Number of Independent Assessors](#)

A fuller story is set to be published in the print edition of Best's Review in September, this time with some input from IMSA CEO & President, Brian Atchinson. Our hope is that this media exposure will encourage all IMSA stakeholders to re-commit to the IMSA process and to IMSA membership so that our industry will once again achieve the high levels of consumer trust to which IMSA restored it after the scandals of the 1990's.

Mounting Fines for IMSA Drop-outs:

You may remember that what got IMSA started was a series of regulatory actions that resulted in negative publicity and fines and awards mounting up to first hundreds of millions and then billions of dollars. We've been keeping loose track of fines and other payments IMSA Drop-outs have had to pay since the beginning of the year. It's a big number, and growing, and a constant reminder that an ounce of prevention via IMSA membership is worth of ton of cure via fines and

\$743

class action lawsuits. Year-to-date number: million. That's a BIG number!

August 1, 1291: Switzerland Founded

Motto: (unofficial) "[Unus pro omnibus, omnes pro uno](#)" (Latin)

English: One for all, all for one

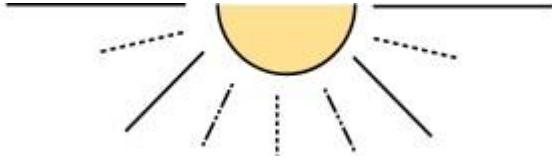
German: Einer für alle, alle für einen

French: Un pour tous, tous pour un

Italian: Uno per tutti, tutti per uno

Romansh: In per tuts, tuts per in





Work with IMSA on Annuity Suitability and Advertising

We are very pleased to be a part of IMSA's ongoing efforts to add value to member companies and the industry by serving on the IMSA Annuity Suitability Working Group (led by Don Walters) and IMSA's Advertising Review Working Group (led by John Travaligne).

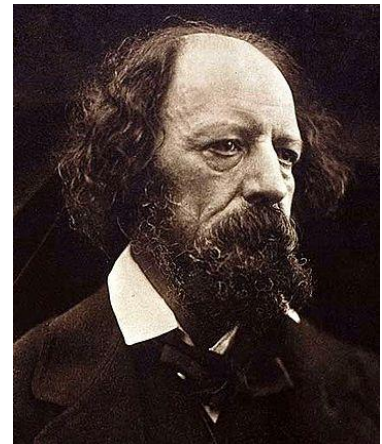
The Annuity Suitability Group is providing comments on FAQ's on sections of the Life & Health Chapter of the NAIC Market Regulation Handbook pertaining to suitability. A copy of the Frequently Asked Questions document was provided to Bruce Ramage during an informal meeting held during the recent NAIC Summer National Meeting in Seattle. Ramage said he found it "very helpful and appreciated."

The Advertising Group is engaging current issues and operational challenges in the review of advertising, sales literature and other forms of communications with the public. Some possible Deliverables include::

- Benchmarking study
- Webinar to address key questions and provide leading practices
- Issues to bring to Regulators for further clarification and/or discussion (if warranted)

Key areas of exploration will be:

- Key regulatory requirements
- Strategic organizational placement of function
 - Structure, staffing and roles of the functional area
 - Reliance and interaction on other departments
 - Risk management concerns
- Tactical Process Issues
 - Key controls and automation
 - Process challenges
 - Leading Practices
- Emerging Issues
 - Social Media
 - On-line communications with the public

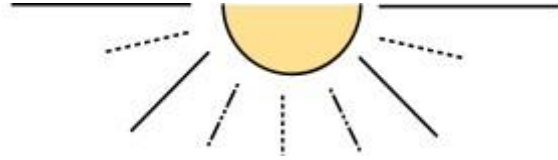


August 6, 1809: Alfred Lord Tennyson *No man ever got very high by pulling other people down. The intelligent merchant does not knock his competitors. The sensible worker does not work those who work with him. Don't knock your friends. Don't knock your enemies. Don't knock yourself.*



IMSA *Today*

August 23, 2010



AARP-IMSA September 22nd Summit – Ethics in a Changing Marketplace

Remaining seating for the AARP-IMSA Understanding Ethics on a New Financial Services Frontier Summit Meeting in Washington, D.C. is very limited. The event will be held on Wednesday, September 22, 2010 from 10:00 am – 4:00 pm to explore the changing role of ethics in financial services and insurance. Topics to be explored include:

- contemporary ethics issues facing the financial services marketplace;
- what companies are doing to establish an ethical culture; and
- why it is important to address reputational risk.

IMSA-qualified company compliance and ethics representatives are encouraged to register (at no cost) by Tuesday, August 24th. Registration will be opened to non-IMSA members on August 25th for a fee. To register, contact Margie Lopez at MargieLopez@IMSAethics.org or (240) 744-3025.

NOTE: IMSA has informed us that this event is now full, but that they will alert us if that situation changes. KJK

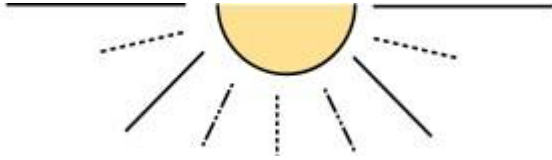
American Family Life Insurance Company Renews IMSA Qualification

Congratulations to American Family Life Insurance Company, based in Madison, WI, for successfully renewing its IMSA qualification. Curious about what's involved in qualifying for IMSA membership? Visit www.IMSAethics.org for more information.

August 9, 1930: Betty Boop Created:

*It's futile to be brutal. / That
won't get you a dime. / So
be human all the time.
Boop-Doop-A-Doop*





NAIC Summer National Meeting – Next Steps

During the recent NAIC Summer National Meeting in Seattle, WA, IMSA staff met with Bruce Ramage, Nebraska Department of Insurance Deputy Director and Chair of the NAIC Market Conduct Examination Standards Working Group, as well as Ryan Wilson of AARP and Keith Nyhan of the New Hampshire Insurance Department (representing New Hampshire Commissioner, Roger Sevigny, who chairs the NAIC Market Regulation and Consumer Affairs (D) Committee) in an ad hoc meeting on Saturday, August 14th. IMSA updated attendees on IMSA's Annuity Suitability Working Group progress, and provided a current draft of the Frequently Asked Questions (FAQ) document it created regarding key provision interpretations of the NAIC Suitability in Annuity Transactions Model Regulation.

During his report to the NAIC (D) Committee on August 16th, Mr. Ramage noted that the June, 2010 IMSA-AARP Summit Meeting confirmed a need to establish a uniform process for regulators to conduct reviews of compliance with the Model Regulation. He also commented that he found IMSA's FAQ draft to be "very helpful and appreciated." While the FAQ may undergo further revisions, IMSA will submit a comment letter to the NAIC Market Conduct Examination Standards Working Group prior to September 1st recommending that the FAQ be incorporated into the Life & Health Chapter of the NAIC Market Regulation Handbook.

IMSA staff also provided an update on its social media initiatives. Social Media will undergo further consideration by the NAIC (D) Committee, with the development of a White Paper and the possible introduction of new language added to the NAIC Market Regulation guidelines. A full summary report of the Summer Meeting is available in the Member Section at www.IMSAethics.org under "Regulatory Highlights."



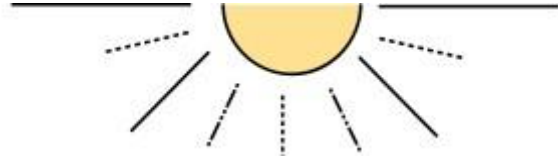
August 13, 1860: Annie Oakley born:

Aim at a high mark and you will hit it, No , not the first time, nor the second, and maybe not the third. But keep on aiming and keep on shooting. Finally you'll hit the bull's-eye of success, for only practice will make you perfect."



AML Webinar Series Update

IMSA's recent Anti-Money Laundering (AML) webinar explored AML regulations and responsibilities and gave attendees actionable steps toward a more robust compliance infrastructure. Many thanks to presenters from both ING and Sun Life Financial who spoke to their companies' leading practices. The webinar recording and polling results are available to the public at www.IMSAethics.org for the next 30 days, and will be archived in the Member Section for IMSA-qualified company access at any time.



Mark your calendars for IMSA's next webinar on Tuesday, September 14th, on "How to Build an Effective Ethics Program," and explore the key ethical issues in the marketplace. Register online at www.IMSAethics.org.

Social Media Working Group Develops Guidelines

IMSA's Social Media Working Group is currently developing Supervision and Monitoring Guidelines for the Use of Social Media. The draft will be put before the regulatory community for critical input, and will be released to the public in fall, 2010.



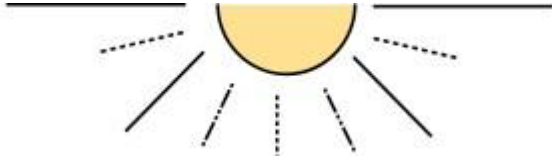
August 17, 1786: Davy Crockett born:

*Be sure you are
right, then go ahead.*

A Deeper Social Media Dive

The IMSA Advertising Review Working Group, a recently-formed sub-committee of the IMSA Social Media Working Group, will further analyze the review process for advertising and marketing materials. This sub-committee will explore the operational challenges associated with the review of advertising, sales literature and other forms of communications with the public, as well as conduct industry benchmarking. If you are interested in participating on either IMSA Working Group, please contact John Travagline at JohnTravagline@IMSAethics.org or (240) 744-3023.





Save the Date

On Thursday, September 16th in West Des Moines, Iowa a Symposium on Insurance Compliance will be co-hosted by Aviva, Dewey & LeBoeuf and IMSA. The keynote luncheon speaker will be Susan Voss, Commissioner, Iowa Insurance Division, and CLE credits will be available. Among the issues to be discussed at this conference include: How do you maintain compliance as a vital, dynamic function within your organization? How do you maximize the intersection of compliance and enterprise risk management? What are the three most significant threats to maintaining a successful compliance function within your organization?

There is no registration fee to attend the conference, but please RSVP to MargieLopez@imsaethics.org if you plan to attend this session.

Upcoming Meetings

- September 11-15 NAIFA 2010 Annual Convention and Career Conference – Seattle, WA
- September 13 IMSA Producer Advisory Group Meeting - Seattle, WA
- September 13-16 Association of Insurance Supervisors (IAIS) Market Conduct, Compliance & Governance Committee Meetings – Quebec City, Canada
- September 16 Symposium on Insurance Compliance – West Des Moines, IA
- September 26-29 Insurance Consumer Affairs Exchange - Chicago, IL
- October 3-6 AICP Annual Conference - Dallas, TX
- October 17-19 ACLI Annual Conference - Baltimore, MD



October 19 IMSA Board of Directors Meetings - Baltimore, MD

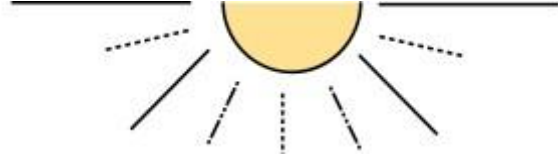
October 19 IMSA Annual Meeting of Members - Baltimore, MD

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

August 19, 1946: Bill Clinton born:

Never pick a fight with people who buy ink by the barrel.





Best Practice of the Month – Risk Based Compliance

Budgeting

This time of year companies are beginning the budgeting process for the upcoming year. Always a critical time, this budgeting season can make or break you and your compliance efforts for the next year. One way to help your CFO understand your needs is to draw from your compliance plan for the future and show clearly the desired outcomes and the risks associated with noncompliance.

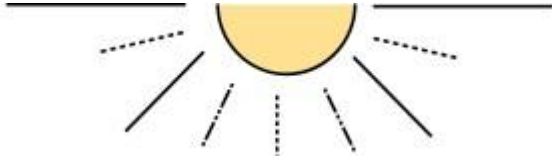
Do your best to quantify the costs of past efforts and then give your best estimates of your budget needs for each initiative in the coming year. Whenever possible, quantify the benefits of each action using past experience as a guide. Keep your goals risk-based and customer focused and provide a succinct one-page executive summary highlighting your priorities and key action items. Giving your CFO and CEO a clear differentiated contrast between the cost of compliance and the catastrophic risks of falling short will go a long way toward getting you the dollars you need for success.



August 27, 1910: Mother Teresa born:

Be faithful in small things because it is in them that your strength lies.





What We are UP to at the Kenneth J. Kalis Company

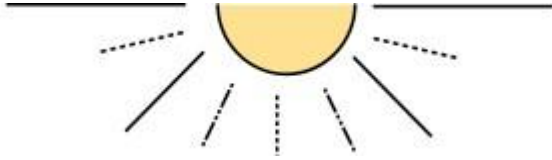
As you can see from the items above, we are keeping busy with on some IMSA-related issues. We are also putting together some ideas on growing IMSA, in consultation with other IMSA stakeholders. Interest in IMSA seems to be picking up, from the press, member companies and some companies who have not yet joined but are looking into the prospect. We have several proposals at various stages and are looking forward to a better second half of the year than the first half, when two very large companies left the fold. We are also talking with companies who need our help on short-term project work, which is always welcome. We continue as well to promote our "Write-Stuff" professional writing services. As you know, we have been publishing on time a monthly Update since 1999 as well as an Excelsior print newsletter and a web site with rich IMSA and compliance content.

Please let us know if we can be of any help with IMSA services, temporary project management or writing assignments. We assure you of excellent service and guarantee customer satisfaction.

August 28, 1963: Martin Luther King, Jr. "I have a dream" speech:

No, no, we are not satisfied, and we will not be satisfied until justice rolls down like waters and righteousness like a mighty stream.





.....
And now for our non-IMSA close, one we've run before but feel it's time again:

People are unreasonable, illogical, and self-centered.
Love them anyway.

If you are kind, people may accuse you of selfish ulterior motives.
Be kind anyway.

If you are successful, you will win some false friends and true enemies.
Succeed anyway.

The good you do today will be forgotten tomorrow.
Be good anyway.

Honesty and frankness will make you vulnerable.
Be honest and frank anyway.

What you spend years building may be destroyed overnight.
Build anyway.

People need help, but may attack you if you try to help them.
Help them anyway.

In the final analysis, it is between you and God.
It was never between you and them anyway.

<http://www.paradoxicalcommandments.com/origin.html>

The above words are said to have been found written on the walls of Mother Teresa's home in Calcutta. The Prayer Foundation Web Site has some background on this giving credit for an original version to Dr. Kent M. Keith. For more detail, you can check out both versions at http://www.prayerfoundation.org/mother_teresa_do_it_anyway.htm

Please note that all photos used are in the Public Domain and all clip art from the Faith Clip Art service. We strive diligently to credit all artists and others whom we cite as a basic principle of integrity and honor. Please let us know if we fall short in this area or are unclear so that we can make things right.



And that all folks, for this issue. Thank you so much for your continuing interest in IMSA, ethical market conduct and the Kenneth J. Kalis Company.

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

