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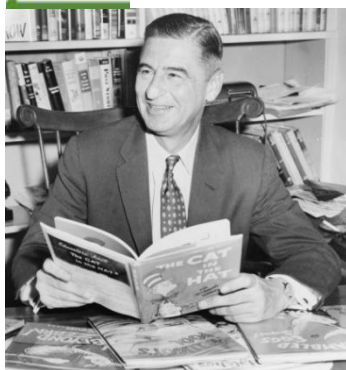
Not reading this stuff? Just send back an email with Thanks, but no thanks! In the subject line and we will make sure you are not bothered again.

March UPdate



Dear Friends;

Spring is here, at last! I'm sure you are all rejoicing with me that "the winter is over and done and the time of singing of birds is heard in our land." Spring is a great time for new beginnings, and I am excited about some new opportunities to create an industry certification process to serve as both a diagnostic and industry standard for companies and regulators who may want to use it.



We have spiced up this UPDATE with quotations from famous people born in March. Please read on:

Today you are You, that is truer than true. There is no one alive who is Youer than You.

Dr. Seuss, March 2, 1904

Our BIG Story

IMSA Certification Process Will NOT be Supported by CEFLI

In a March 15, 2011 conference call for Qualified Independent Assessors, CEFLI's President and CEO Donald J. Walters informed us that CEFLI will not longer be supporting the certification process, although it retains the rights to the intellectual property such as the IMSA process and Handbook. This means that IMSA member companies are free to use the old





IMSA process for self-assessments, but CEFLI will not recognize any certifications. New companies joining CEFLI will not have the opportunity of going through the historic process. CEFLI will continue to maintain the IMSA standards (although that was not explained).

On the other hand, companies are free to engage QIA's on an independent basis to help them go through the assessment process and/or to have the QIA certify them outside the CEFLI aegis. This was my understanding during the 20 minute conference call, but afterwards Don called me to ask if I had any questions and he confirmed this understanding. This new stance also removes me and indeed all QIA's from being in competition with CEFLI should we put together an alternative certification process such as the Compliance Performance Arch or FedRed, which I have been championing. He did not have an answer to my question of "What if a company who is not an IMSA member wants to use the assessment process? Will there be a charge?" I think this is most unlikely, but I like to make sure I get all the nuances!

In short, there will be no formal role for the QIA's in CEFLI unless we decide to pay for one of the levels of membership which begin at \$5,000 and go up from there. If we were to join at one of the higher levels (not the \$5,000) we may be invited to speak at CEFLI events, and CEFLI will steer compliance work our way when opportunities arise that match our skill sets. Don did say that CEFLI will retain our credentials and be willing to serve as references for us should we so desire.

I plan to continue plugging an industry certification process and am generating some interest from other industry professionals who would like to see an industry standard that could serve as a diagnostic measuring stick for the industry. This is especially exciting to me to be able to focus on developing a tool that will provide the industry with a means of checking where they stand in regard to ethical standards by developing a widely accepted process based on industry standards and values that could lead to a meaningful certification process. I am already working with several people in the industry on this but see a real need to expand the work group to include people from companies who are interested in guiding the development process and working to come up with a rigorous and credible assessment and/or certification process. Please call me at 352-505-0705 to share your thoughts and ideas. --- **Ken Kalis**

Also be sure to read Alan Prochoroff's excellent story on this at the link below:

READ THE FULL STORY: <http://www.ins-compliance.com/article.cfm?id=1991>

***When you lie down with
dogs, you get up with
fleas.***

Jean Harlow, March 3, 1911





*How do I love thee? Let me count the ways.
I love thee to the depth and breadth and height
My soul can reach, when feeling out of sight
For the ends of Being and ideal Grace.*

--Elizabeth Barrett Browning, March 6, 1806

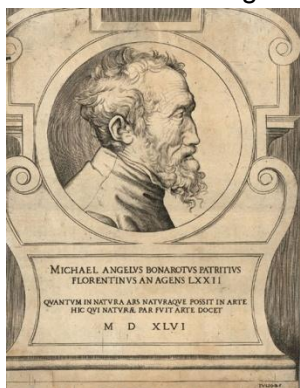


Compliance Performance Arch

Last month we presented some detail about the first objective for the Compliance Performance Arch. In March we move on to the second:

2. To use a principle-based process,

1. Overarching Principles will form the framework of CPA.



2. Ethics codes from the insurance industry including the American College, distributor organizations and the sponsor.
3. Ethics codes from individual companies.
4. Criteria from the Malcolm Baldrige Award
5. Criteria from consumer organizations.
6. Federal standards for insurers.
7. Federal Sentencing Guidelines.
- 8.

What spirit is so empty and blind, that it cannot recognize the fact that the foot is more noble than the shoe, and skin more beautiful than the garment with which it is clothed?

Michelangelo Buonarroti, March 6, 1475

In earlier Updates we laid out a series of objectives which you can read in last month's Update at www.kkalis.com:

Our interest continues in providing those interested with a useful diagnostic tool to help assess the risks, strengths and gaps in their compliance operations. We believe there is a need for a widely accepted diagnostic assessment process in the insurance industry. This is especially true now that the IMSA process, which for many years met at least a portion of this need, is no longer being widely used.

Please let me know if you have any interest in learning more about this comprehensive and innovative assessment tool. We are happy to share with you our PowerPoint presentation that further outlines each of the points above. We welcome your input as we look for industry support and involvement. Please give me a call at 352-505-0705 or send us any material or comments you have to our special email box for this developing project: cpacert2011@aol.com.





"We are in this life as it were in another man's house. In heaven is our home, in the world is our Inn: do not so entertain thyself in the Inn of this world for a day as to have thy mind withdrawn from longing after thy heavenly home.

Paul Gerhardt, March 12, 1607.



NYSID Attorneys from BOTH Life and Health Bureaus to attend LHCA Meeting #96

Greetings LHCA Members,

Currin Compliance Services received confirmation that the New York State Insurance Department (NYSID) is sending several attorneys from **BOTH the Life and Health Bureaus** to participate in panel discussions at LHCA Meeting #96. This is one of very few opportunities for you to ask questions and personally interact with the NYSID attorneys.

Do you have questions about individual and group life and annuities, long term care, Medicare supplement, disability income, dental, health applications, extraterritoriality, form filing process, other topics? This is a great opportunity to get answers directly from the NY regulators.

IMPORTANT NOTE: Please submit questions that you want the regulators to answer **separately** from the questions that you want your peers to answer. (Labeling your question with "NYSID" or "Peers" would be greatly appreciated.) Peer directed questions will NOT be shared with the NY regulators and will only be available to LHCA members. Company affiliations will NOT be disclosed on the regulator questions. **ANSWERS TO ALL QUESTIONS WILL ONLY BE AVAILABLE TO LHCA MEETING ATTENDEES.** [Click here](#) to register and submit your questions via the LHCA Website. All questions must be submitted **prior to April 11th**.

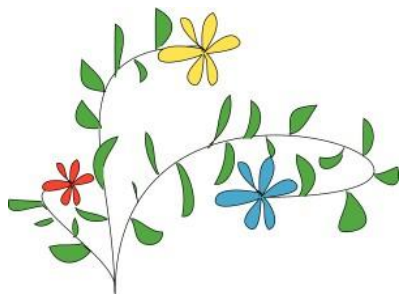
Please feel free to share this information with others who might not already be LHCA members. We look forward to seeing you at the [Gideon Putnam](#) in [Saratoga Springs](#), NY on April 27-29, 2011.

Don't forget to follow us on twitter [@LHCA96Saratoga!](#)

Thank you,
Currin Compliance Services
LHCA Meeting #96 Host
www.currincompliance.com

Need help? Have questions about the meeting? Please email [Kitty Cole](#).





Where is the Industry Press?

This is a question I have been asking myself for years. As I prepare these monthly Updates I regularly read widely in the insurance industry press. There is lots of good stuff, nice informative information. There are excellent reporters and writers out there who are capable of doing world class journalism. But why, I ask, do we see so few stories on negative industry issues? Why, for example, do insurance companies rack up \$1.4 Billion in settlements and fines for regulatory issues and get no headlines in our leading industry media? How does it happen that CEO's are fired from their companies for moral and fiduciary corruption and their antics go unreported in the industry press? Indeed, is it not a newsworthy story when these dramatic violations of moral standards at major companies undermine the trust of policy owners? Is it not a matter of interest when in the face of such outrageous situations some of these companies are recognized for maintaining high ethical standards? It is of interest to me, and I believe to the stakeholders in these companies.

I don't know the answers, but I do know what has happened to me. When I have run stories even the least bit critical of the status quo, I have been contacted, admonished, warned and cautioned by prominent industry leaders that such reporting was "out of line." These attempts to intimidate me and stifle my reporting have been couched in terms such as "now, you don't want to be seen as someone who is giving industry "a black eye," or "a number of companies are concerned about your publishing these negative issues," followed by "this won't be good for your business," or "your reputation with your customers will suffer."



What effect my reporting has had is hard to tell. Perhaps none. But my experience tells me that something is going on beyond "information management" and "protecting the brand." I can surely see how the truth can be hidden by simply barring reporters from industry meetings and how industry publications may fear the loss of advertising revenue by offending companies with deep pockets. But is not our first duty to the truth? Are we not bound by industry standards such as the CLU code and other codes of ethics to act according to the Golden Rule and in the best interests of the public? There is surely a high and noble story to tell about our industry and the tremendous ongoing benefits our country reaps from insurance companies. The industry press does a good job in covering these benefits and is to be encouraged to continue teaching the public about the value of insurance. But the press has a corresponding duty to inform and even warn its readers of dangers and catastrophe when we fall short of the high standards set by our code of ethics and by the Golden Rule. --- Ken Kalis



***Just as I am, Thy love unknown
Hath broken every barrier down;
Now, to be Thine, yea, Thine alone,
O Lamb of God, I come, I come.***

Charlotte Elliott, born March 18, 1789.



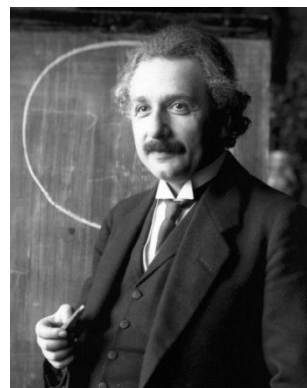


**Before God we are all
equally wise - and
equally foolish.**

Albert Einstein,

March 14, 1879

A. Einstein



IAdCA

Insurance Advertising Compliance Association



10th Annual IAdCA Conference Registration fee - \$575*
April 6-8, 2011 Hard Rock Hotel, Universal Orlando, FL

*Multiple Registrations Discount: When 2 or more individuals from the same company register, the fee can be reduced \$50 per person.

****Guests must book directly through the Hard Rock Hotel by calling 866-360-7395 or by faxing to 407-503-9258.**

General Sessions

- Department of Insurance Discussion
- Social Media Panel Discussion Providing Different Perspectives
- The Power of the Brand and Service That Rocks
- Privacy-Related Concerns with Advertising
- Government State-of-Affairs Discussion
-

Breakout Sessions

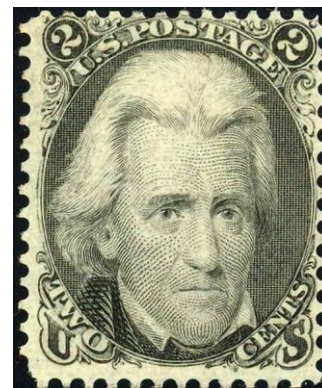
- Comparative Advertising: Fair or Disparaging?
- Property & Casualty – Panel Discussion
- Variable Product Advertising Rule Update
- Hands-On Variable Product Compliance Review
- Hot Topics on State Market Conduct Exams
- Arkovi Social Media Monitoring Demo
- Advertising Review and Filings
- Advertising 101: Creating Compliant Advertising that Sells!

**Register
Now**

**The Bible
is the
rock on which this
Republic rests.**

Andrew Jackson, March 15, 1767

Andrew Jackson



LIMRA Reports Individual Life Sales Up 4% in 2010

On February 28, LIMRA noted a 2% increase in the 4th quarter of 2010 for all new individual life annualized premium and a 4% rise for the year., resulting in a four percent uptick in 2010 in its. *Individual Life Insurance Sales Survey*.

Read more: <http://insurancenewsnet.com/article.aspx?id=249725&type=topnews&inl=1>

Insurance Compliance

INSIGHT

Best Practices • Market Conduct • Regulation & Legislation • SIU Management • Ethics & Standards

Here are two great stories fro Insurance Compliance Insight.

Not yet a subscriber to ICI? You should be! It's the best compliance weekly you're going to find that deals with the issues that interest you with integrity, insight and excellent writing. I'm waiting for it to win a Pulitzer Prize. Get in touch with Alan at: (571) 216-3385 Or aprochoroff@ins-compliance.com. If you let him know I sent you, you may be able to talk him into giving you a discount! (A joke, of course! No discounts, but worth every penny.)

McRaith Named Director of Federal Insurance Office

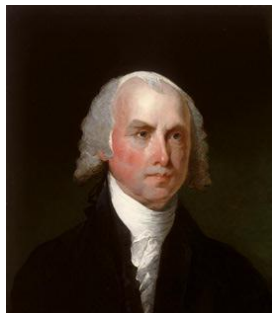
"I am honored to be appointed.... I look forward to the challenges of that office when that work begins. In the meantime, I'm focused on my duties as director of insurance in Illinois, serving in Governor Quinn's administration, and doing my best on behalf of the people of Illinois." Michael McRaith

READ THE FULL STORY: <http://www.ins-compliance.com/article.cfm?id=1992>

CEFLI Clarifies Future of IMSA Certifications, Will Proceed Without Formal Role for Former Assessors

READ THE FULL STORY: <http://www.ins-compliance.com/article.cfm?id=1991>





Do not separate text from historical background. If you do, you will have perverted and subverted the Constitution, which can only end in a distorted, bastardized form of illegitimate government.

James Madison, March 16. 1751

James Madison

Feds Look Like Keystone Kops: Chairman of States Alliance Group

According to a February 28 A.M. Best report, Ernst Csiszar, chairman of the States Alliance for Balanced Insurance Regulation, says federal regulators "have looked like the Keystone Kops." The organization's purpose is to oppose federal regulation of insurance and to improve state regulation. Read more:

<http://insuranceneutral.com/article.aspx?id=249705&type=topnews&inl=1>

Will Power Struggle Over Fed Insurance Oversight Pit The FSOC Against NAIC?

According to insuranceneutral.com, "Signs are emerging that the sigh of relief by large insurance companies that they escaped federal oversight in the post-AIG bailout world may have been premature...." READ MORE:

<http://insuranceneutral.com/article.aspx?id=251756&type=breakingnews&inl=1>

Indexed Life & Annuities Set Sales Records

AnnuitySpecs.com Releases Fourth Quarter, 2010 Indexed Sales Results

On March 3, 2011, the 54th edition of AnnuitySpecs.com's Indexed Sales & Market Report noted total fourth quarter sales were \$8.3 billion, up 19% from the same period in 2009. Leading companies for the quarter were Allianz Life with a 23% market share, American Equity #2, then Aviva, Jackson National and ING.

Indexed life sales for the 4th quarter were \$221.2 million, up 33% from the previous quarter and an increase of more than 36% over the same period last year. Pacific Life remained #1 position in this market with an 18% share, followed by Aviva, Minnesota Life, Penn Mutual and National Life Group. READ MORE: <http://insuranceneutral.com/article.aspx?id=250525&type=pressreleases&inl=1>





**People don't slip.
Time catches up
with them.**

Nat King Cole, March 17, 1919



VA Assets Hit Record \$1.5 Trillion in 2010

On March 7, 2011 the Insured Retirement Institute REPORTED that variable annuity assets reached an all-time record of \$1.5 trillion in 2010, with 4th quarter sales up 18% over 2009 to \$37.6 billion. READ MORE:

<http://insurancenewsnet.com/article.aspx?id=250704&type=breakingnews&inl=1>

Northwestern Mutual is the "World's Most Admired" Insurance Company

A March 3, 2011 Business Wire story reports that- [Northwestern Mutual](#) is the "World's Most Admired Company" in the [life insurance](#) industry, according to *FORTUNE*® magazine's 2011 annual survey. Northwestern Mutual led the industry in these 7 areas:

- Financial soundness
- Quality of products and services
- Long-term investment
- Quality of management
- Social responsibility
- People management
- Use of corporate assets

READ THE FULL STORY: <http://insurancenewsnet.com/article.aspx?id=250442&type=newswires&inl=1>

**Fast is fine, but accuracy is
everything.**



Wyatt Earp, March 19, 1848



***The aim and final end of all music should
be none other than the glory of God and
the refreshment of the soul.***

Johann Sebastian Bach.

March 21, 1685:



Judge Rules against Northwestern Mutual in Class Action

The Milwaukee Journal Sentinel reported on March 8, 2011, that Judge Dennis Flynn ruled against the company in a class action law suit from 3600 annuity purchasers. The suit claims the company unilaterally changed the way dividends were calculated and contends the change deprived them of dividends from Northwestern Mutual's general portfolio over the past 25 years and into the future.

Northwestern Mutual spokeswoman Jean Towell, said the company is extremely disappointed in the judge's ruling and shocked by his conclusions. Judge Flynn "found testimony of the defense experts wanting," and retired Northwestern Mutual CEO Ed Zore "not credible." The Judge wrote that "His answer to the conundrums faced by Northwestern Mutual was to tell lies and manufacture reality."

"Twenty-five years after the fact, the court is willing to second-guess company executives and insurance regulators," Towell continued. "Northwestern Mutual stands strongly behind its decision-making when it comes to dividends. They were made in good faith, for good reasons, for the benefit of all our policy holders." She said the company will appeal.

According to the Journal Sentinel, the decision "could expose the company to hundreds of millions of dollars in damages." The certification of a national class action representing some 35,000 people is something being considered by plaintiffs' lead attorney, George Kersten.

READ THE FULL STORY: <http://www.jsonline.com/business/117621923.html>



***Thou my everlasting Portion,
More than friend or life to me,
All along my pilgrim journey,
Savior, let me walk with Thee.***

Fanny Crosby, March 24, 1820



“Home is the place where, when you have to go there, They have to take you in.” Robert Frost

March 26, 1874

Good Compliance Writing by Ken Kalis



Plain English: This is the real bottom line. It represents a real challenge to those of us who write for the insurance industry, because there are opposing forces at work. One, the public wants it simple, 8th grade level. Two, the lawyers want it accurate, legally tested language. Three, the marketers want to stress the positive, lots of “sizzle.” The agents want to show off their knowledge with “insider” terms and acronyms, talking “concepts,” SPDA’s in CLU or ChFC language.

Behind many of our communication difficulties is ego, and our desire to look important and knowledgeable. My Dad used to tell the story about the newly elected congressman who came back to town to explain his job to the people who elected him. *“Well,” he began, “when someone used to ask me how much is 2 and 2, I would say 4. Now, I say: When in the course of human events it becomes necessary for any reason to consider a numeral of the second denomination and to apply, append or add or combine with it a similar and, yea, identical numeral of the second denomination, I contend and aver without any hesitancy or shadow of a doubt, my fellow Americans, that the inevitable, consistent and everlasting result will be the unique and definitive numeral of the fourth denomination.”* I don’t think he was re-elected.

Current!
On point.
Measured.
Plain English.
Landscaped.
Incisive.
Actionable.
Natural.
Customer-friendly.

But where to start? Perhaps your company already has a tool you can use. Last month we advised you to use the Word Spell and Grammar check feature that scores grade level. Some companies have put together a pamphlet or booklet called it may be called “How We Say It” at your particular

company. Frequently such a tool is used by the advertising review team. If you don’t have such a tool now, create one. You may want to model it on “A Plain English Handbook: *How to create clear SEC disclosure documents.*” <http://www.sec.gov/pdf/handbook.pdf>

Everybody, my friend, everybody lives for something better to come. That’s why we want to be considerate of every man - Who knows what’s in him, why he was born and what he can do?

Maxim Gorky, March 28. 1868

M. Горький

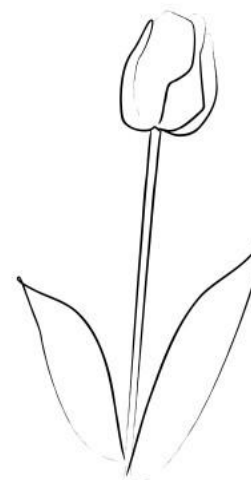




Miss. Yearbook Boy—SAM WALTON

There is only one boss. The customer. And he can fire everybody in the company from the chairman on down, simply by spending his money somewhere else.

Sam Walton, March 29, 1918



Check out the table of contents. By all means refer to this often, particularly Chapter 6. You will find yourself writing more clearly at once. Perhaps the best advice is given in the Preface, by someone you know. I have reproduced it below.

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# Words	615
Sentences/Paragraph	3.0
Words/Sentence	11.5
Passive Sentences	9.0%
Flesch Score	64.6
Reading Grade Level	7.0

One unoriginal but useful tip: Write with a specific person in mind. When writing Berkshire Hathaway’s annual report, I pretend that I’m talking to my sisters. I have no trouble picturing them: Though highly intelligent, they are not experts in accounting or finance. They will understand plain English, but jargon may puzzle them. My goal is simply to give them the information I would wish them to supply me if our positions were reversed. To succeed, I don’t need to be Shakespeare; I must, though, have a sincere desire to inform. No siblings to write to? Borrow mine: Just begin with “Dear Doris and Bertie.”



Warren Buffett

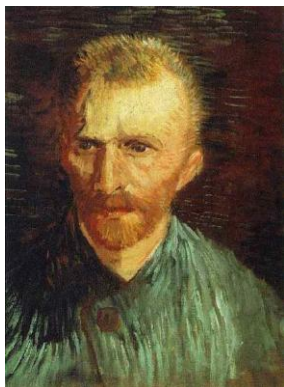
Do you have a writing project that just can't seem to get done? Why not give us a shot at it? We'll meet your deadline and give you a high quality work product that fully meets our standards of good compliance writing! Just call 352-505-0705 or email kkalis@aol.com.

I keep six honest serving-men (They taught me all I knew); Their names are What and Why and When And How and Where and Who. Rudyard Kipling



When I have a terrible need of - shall I say the word - religion. Then I go out and paint the stars.

Vincent van Gogh, March 30, 1853



Closing Thoughts:

That van Gogh quote reminded me of another one, one I read in a book by Henri Nouwen, "The Way of the Heart." Here it is:

There may be a great fire in our soul, yet no one ever comes to warm himself at it, and the passersby only see a wisp of smoke coming through the chimney, and go along their way. Look here, now what must be done? Must one tend the inner fire, have salt in oneself, wait patiently yet with how much impatience for the hour when somebody will come and sit down—maybe to stay? Let him who believes in God wait for the hour that will come sooner or later.

Please keep your fire burning, and I'll do the same. Thank you for your continuing support of ethical standards in our industry and world, and thank for reading all of this. God bless you!

Ken Kalis

**505-0705
215-9124 cell**

