

May Update for IMSA Friends

Dear Friends,

The merry month of May is taking leave of us, whether like a lion or lamb may depend on your part of the country. In this Update we're using the two May holidays, Mothers' Day and Memorial Day, as themes. We trust that all of you enjoyed those special days and spent them with those you love.



What's Your Company's IMSA Vision?

IMSA, like life, is what you make it. Some see it as a bunch of hoops to jump through to stay competitive or simply to check off the box attaining membership. Others see it as means of cleaning up the image of life insurers or gaining recognition for meeting IMSA's compliance standards and using the IMSA logo in their advertising materials. Some have no idea why they go through the process other than they've been doing it for years.

But a growing number of IMSA companies see the rigorous self-assessment and independent assessment process as an important tool leading to all around excellence, using the IMSA compliance standards as a springboard for competitive advantage in marketing, building customer trust and stronger relationships, or simply as the cornerstone of a compliance program showing your ongoing commitment to honesty, integrity and doing what is best for the customers. Still others see it as a golden opportunity to put into place a continuous improvement process, a Six-Sigma certification or a tool for risk assessment or monitoring compliance with the Federal Sentencing Guidelines. In the past year we have worked with companies who used their IMSA recertification to create a risk-based compliance testing system and an independent compliance department charged with keeping all policies and procedures up to date and being chief protectors of the company's brand. Leverage your IMSA assessment to help you achieve some key company vision, and you will see that the real value of IMSA grows year by year as you consistent deploy and monitor the IMSA standards and use them to achieve broader company goals.





Some mothers are kissing mothers and some are scolding mothers but it is love just the same and most mothers kiss and scold together. ~ Pearl S. Buck

AARP & IMSA Address the Changing Annuities Conversation and Regulation at Upcoming Summit Meeting

AARP and IMSA will convene an Annuity Suitability Summit Meeting in Washington, D.C. on June 10, 2010 to address the critical issues regarding the suitability of annuity sales to consumers and the challenges of coordinating regulatory approaches to best serve consumers.

"Retirement Security in a Regulated Marketplace: Annuities in 2010 & Beyond" will address the changes in the annuities marketplace and emerging regulation. Confirmed participants include:

- Roger Sevigny, New Hampshire Insurance Commissioner;
- Thomas Sullivan, Connecticut Insurance Commissioner;
- John Walsh, Chief Counsel, Office of Compliance Inspections and Examinations, SEC;
- Larry Kosciulek, Investment Companies Regulation Director, FINRA.



"AARP is very focused on annuity products being sold to older adults and strongly supports the work IMSA is doing in the insurance marketplace," said AARP Executive Vice President and Chief Communications Officer Kevin Donnellan. "This valuable work benefits older Americans, many of whom rely on annuities and other life insurance products as part of their financial planning."

"Americans of all ages in all 50 states need to be treated fairly," said IMSA President & CEO, Brian Atchinson, "and AARP and IMSA are working together to ensure that insurance industry standards remain high. Clarity and communication between all key stakeholders is paramount."

The heart of a mother is a deep abyss at the bottom of which you will always find forgiveness. ~ Henri de Balzac

marketwire

<http://www.earthtimes.org/articles/show/aarp-amp-imsa-address-the,1316339.shtml>



*One good mother is worth a
hundred schoolmasters.* ~ George Herbert

ACLI 2010 COMPLIANCE & LEGAL SECTIONS ANNUAL MEETING

Marriott Harbor Beach Resort & Spa
FORT LAUDERDALE, FL

JULY 13-15



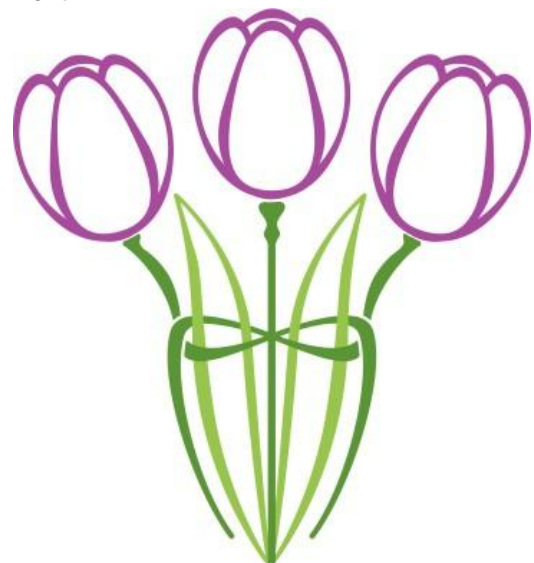
Continued planning for the [2010 Compliance and Legal Sections Annual Meeting](#) program is underway. We are making decisions around regulatory reform, technology and risk associated with a changing environment. Most importantly, we are in a position that includes review of current business models and fundamental ways we are doing business in our companies. The reality of potentially resetting the footprint of our compliance and legal departments is the focal point of this program.

We invite you to join your colleagues for a face to face interactive meeting, promising to provide the opportunity to uncover game plans and methods of effective execution on today's new soil. See for yourself the value of attending the Compliance and Legal Sections Annual Meeting.

Program Highlights

- "You say you want a revolution: political landscape in transformation" featuring John Heilemann, National Political Correspondent & Columnist, New York Magazine, and author of *The Game Change*
- 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 open! Early-bird deadline is June 16.

*Youth fades: love droops: the leaves of
friendship fall: A mother's secret hope
outlives them all.* ~ Oliver Wendell Holmes





I only regret that I have but one life to give for my country - Nathan Hale

IMSA Today

May 12, 2010

Annuity Suitability Webinar Addresses Practical Implementation

Participants in IMSA's latest webinar, **Annuity Suitability: Evolving Challenges**, which addressed the recently adopted revisions to the NAIC Annuity Suitability Model Regulation, offered very positive feedback on its value:

- "The hot topics (insurer responsibility, secondary review, training and safe harbor) really hit on the key issues that have generated a lot of questions."
- "Great value in understanding how companies are implementing suitability systems."
- "Good exploration of where responsibility ultimately lies in determining suitability of annuity products."
- "The regulator's dialogue on the obligation of the issuing company under the new rule was very helpful."

A recording is available to the public throughout the month of May [here](#) as are the polling results from the webinar. Don't miss these important insights on the changing compliance landscape. Many thanks to presenters Maureen Closson (Senior VP and CCO of AVIVA USA) and Jim Mumford (Iowa Deputy Insurance Commissioner) for their timely content and thoughtful perspectives.

Social Media Policy Template: A New Compliance Tool

In response to the need for compliant social media guidance and resources within the insurance and financial services arena, IMSA released the **IMSA Social Media Policy Template** in late April. The response from both industry stakeholders and the media has been extremely positive. See *Insurance Compliance Insight's* feature [here](#).

The IMSA Social Media Policy Template, along with a *Frequently Asked Questions* compilation and *Table of Contents* page view, is available at www.IMSAethics.org to all industry stakeholders, including both IMSA-qualified and non-IMSA-qualified insurers.



Bravery is the capacity to perform properly even when scared half to death.
Omar Bradley

Breathes There The Man

*Breathes there the man with soul so dead
Who never to himself hath said
This is my own, my native land!
Whose heart hath ne'er within him burned,
As home his footsteps he hath turned*

*From wandering on a foreign strand?
If such there breathe, go, mark him well:
For him no minstrel raptures swell:
High though his titles, proud his name,
Boundless his wealth as wish can claim,
Despite those titles, power, and pelf,
The wretch, concentred all in self,
Living, shall forfeit fair renown,
And doubly dying, shall go down
To the vile dust from
whence he sprung,
Unwept, unhonored,
and unsung.*



Four things support the world: the learning of the wise, the justice of the great, the prayers of the good, and the valor of the brave. Muhammad

Compliance, Legal and Ethics Company Structures: Benchmarking Survey

Thanks to all respondents who participated in IMSA's recent benchmarking survey, which explored the organizational structure of compliance, ethics and legal functions within the life insurance industry. The data, which reveals why companies make the decision to house different functions in different departments, is being compiled into a comprehensive report. Look for it later this month!

IMSA on the Road

✓ On May 12th, Don Walters of IMSA will present on the issue of *Proper Fit: Where Does the Compliance Function Belong?* at the 2010 Canadian Life and Health Insurance Association Compliance and Consumer Complaints Annual Conference in Toronto, Canada.

✓ On June 3rd, IMSA VP of Compliance, John Travagline, will serve on an expert panel, *Social Media: Establishing a Happy Medium in Your Organization*, to discuss next steps in social media for the industry at the LIMRA Marketing and Research Conference in Orlando, Florida.



Upcoming Meetings

Future industry events in which you may be interested include:

June 10 *Retirement Security in a Regulated Marketplace: Annuities in 2010 & Beyond* - IMSA Annuities Regulation Summit – Washington, DC

June 16 **IMSA Board of Directors Meeting – Bethesda, MD**

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

It doesn't take a hero to order men into battle. It takes a hero to be one of those men who goes into battle. Norman Schwarzschild

Bravery never goes out of fashion.

William Makepeace Thackeray

Best Practices of the Month – Advertising Review

This month's best practices come to use via Insurance Compliance Insight, where editor Alan Prochoroff has gathered from his coverage of the recent annual conference of the Insurance Advertising Compliance Association. Among the best practices advanced by attendees were these:

- Involve marketing early in the process
- Train marketing people on key compliance issues
- Communicate disapprovals in person or via phone
- Rework rather than reject
- Use an advertising approval checklist
- Regular communications with marketing partners via webinars, email and meetings.

This quote from one attendee sets the tone:
“Consider the human relationship and bring up the positives, rather than the negatives. You have to remember, the advertising proposal you're talking about is 'their baby.' So talk things out.”

Check out the whole article at: <http://www.ins-compliance.com/article.cfm?id=1655>

If you are not yet an ICI subscriber send Alan an email aprochoroff@ins-compliance.com and ask about a trial subscription for your company.



What We're Up to at the Kenneth J Kalis Company

We're getting ready for a couple of important business trips, to Washington on June 10 for the AARP/IMSA Annuities Meeting and then July 13-16 for the annual ACLI Legal and Compliance

Section Meeting in Ft. Lauderdale. Hope to see many of you there. As I've reported before, we lost several large companies who dropped out of IMSA earlier this year, so we've had plenty of time to work on our methodology and delivery system so that we are better prepared than ever to serve those of you who need us to renew your IMSA membership or serve you in some other way.

And each man stand with his face in the light of his own drawn sword. Ready to do what a hero can. *Elizabeth Barrett Browning*

That's what it takes to be a hero, a little gem of innocence inside you that makes you want to believe that there still exists a right and wrong, that decency will somehow triumph in the end. Lise Hand

For you who are renewing, we offer a one-week intense self-assessment update or attestation preparation with will position you for a successful IMSA renewal. We also offer full self-assessment facilitations as well and expert independent assessments at a very reasonable cost.



For those of you whose companies have left IMSA, we can provide an expert independent audit that looks at your compliance environment and status and provides feedback on opportunities for improvement and shares with you best practices from our many years' experience in serving the life insurance industry.

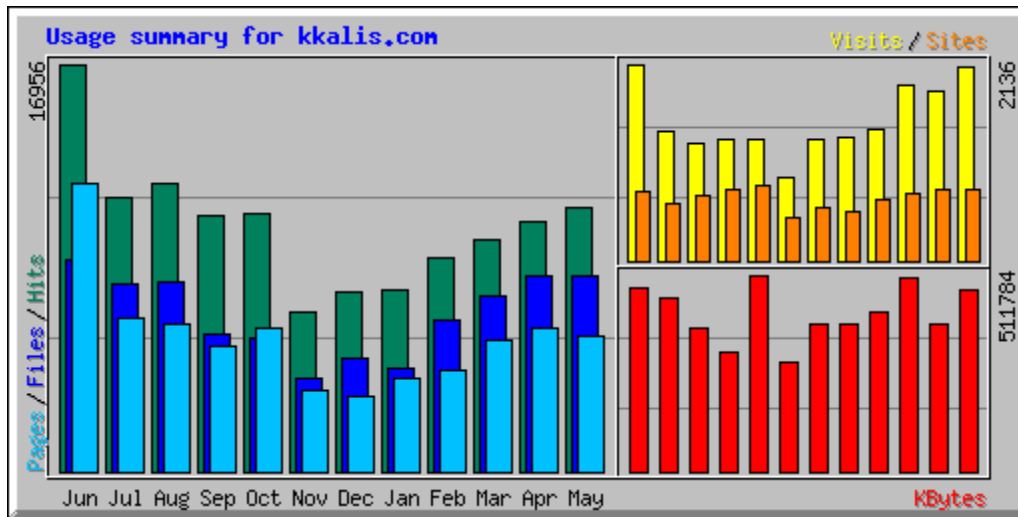
For all companies we offer expertise and expert team members who can help you:

- Put in place a process for continuous quality improvement.
- Prepare for entering the [Baldrige National Quality Program](#) and compete for the National Quality Award given by the President of the United States (no insurer has every won this!).
- Prepare for and oversee market conduct and other regulatory examinations.
- Build compliance manuals for distributors and home office needs.
- Conduct detailed risk analysis and create strategic compliance testing plan and budgets.
- Review business processes, recommend enhancements and write procedures for all life, annuity and long-term care business process.
- Review compliance functions and create a compliance organization that meets the Federal Sentencing Guidelines.
- Put in place an ongoing monitoring process as an early-warning system and prioritizing mechanism.
- Prepare important presentations for company executive and Boards.
- Create readable and timely compliance newsletters or articles.
- Conduct compliance training and facilitate organizational learning.
- Provide project management expertise for any significant initiative.
- Supply temporary human resources for any and all compliance needs.

Our team of 18 mature life, annuity and long-term care professionals (including 7 former QIA's) is made up of consultants, accountants, lawyers, and training experts with expertise in all product lines (fixed and variable) and all distribution systems. We have worked with over 50 fine life



insurance companies nationally (see our partial client list at <http://kkalis.com/>) at short notice or over the long term. Just give us a call at 352-505-0705 or email kkalis@aol.com.



Summary by Month										
Month	Daily Avg					Monthly Totals				
	Hits	Files	Pages	Visits	Sites	KBytes	Visits	Pages	Files	Hits
May 2010	392	289	201	75	767	471154	2107	5639	8113	10981
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
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
Totals						4957087	18286	67460	78713	123176

*O beautiful for heroes proved / In liberating strife / Who more than self
 their country loved / And mercy more than life / America! America! May
 God thy gold refine / Till all success be nobleness / And every gain divine!*

God Bless America, the Song and the Story

Composer Irving Berlin Writes God Bless America

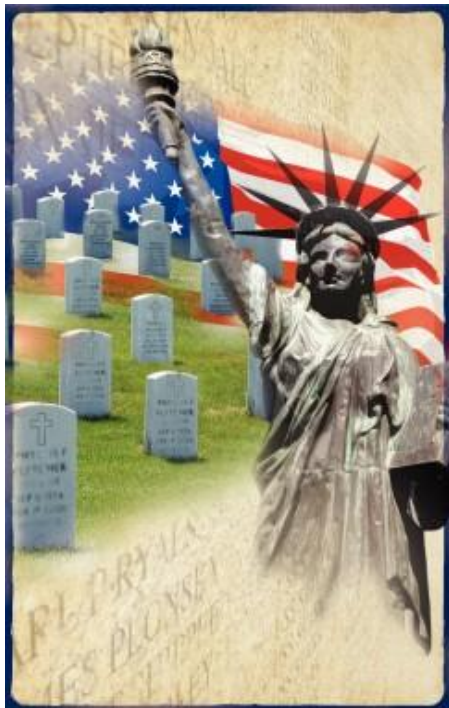
The famous composer and lyricist, Irving Berlin (1888-1989) was born Israel Isidore Baline, in Russia, to an Ashkenazi Jewish family. His family immigrated to the United State when

Israel was five years old. When he was only eight years old, his father died and Israel began working odd jobs on the street to help the family survive.

Israel inherited some musical talent from his father, who was a cantor, and so eventually he found a job as a singing waiter, in a pub. One day the owner of the pub asked Israel to write a song as an advertisement for the cafe. Israel's song was published with a misprint of the composers name as I. Berlin. Israel liked the change, and so added his nick-name Irving to the misprint.

Despite the fact that he was a self taught pianist, could read very little music, and had no musical training, Irving, with the help of assistants or collaborators, wrote the words and music for more than 3,000 songs, along with multiple Broadway musicals. His songs are recognized around the world and include *Annie Get Your Gun*, *Blue Skies*, *Always*, and *White Christmas*.

Berlin was an outspoken American patriot. Too old to fight in WWII, he showed his support for the troops by writing



several patriotic songs such as *This is the*

Army, and traveling to entertain troops overseas. He originally wrote *God Bless America* in 1918, but did not publish it. In 1938 he revised the lyrics and the music, and then published it as a prayer that the U.S. would triumph over Hitler, and that there would come an end to the Nazi cruelty towards the Jewish people.

God Bless America has been considered by many as the unofficial national anthem. It is in most church hymnals and has been sung in Hollywood films, at sporting events, and for patriotic celebrations and demonstrations for more than 70 years. Many recording artists have included this beautiful hymn in their repertoire, including Kate Smith (1938) and Celine Dion (2002). And who can forget the memorable gathering of both Democrat and Republican congressmen and senators, following the September 11, 2001 attacks, as they joined their voices to sing as a prayer, *God Bless America*.



God Bless America

*God Bless America,
Land that I love.
Stand beside her, and guide her
Thru the night with a light from above.
From the mountains, to
the prairies,
To the oceans, white
with foam
God bless America, My
home sweet home.*



“If my people, which are called by my name, shall humble themselves, and pray, and seek my face, and turn from their wicked ways; then will I hear from heaven, and will forgive their sin, and will heal their land.” (2 Chronicles 7:14)

Written by: [Connie Ruth Christiansen](#)

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Hope you all had a wonderful May and a great Mothers' Day and Memorial Day too. Thank you for your continuing interest in ethical market conduct issues and the Kenneth J Kalis Company. 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