MISCALCULATING

Majority of Americans Overestimate Cost of Life Insurance
Amalgamated Family of Companies was created with the vision of providing insurance protection to hard working Americans. Our unwavering commitment to providing security is underscored by three decades of “A” (Excellent) rating from the A.M. Best Company. Since our founding in 1943, the people and companies that we serve have come to rely upon Amalgamated to deliver more than just life insurance protection. Through our family of companies we have grown to provide a diverse range of value-driven services and solutions, with the assurance of reliability built through seven decades of consistent care for working Americans and our client companies that they work for.

David J. Walsh  
*President and Chief Executive Officer*

Amalgamated Life Insurance Company  
333 Westchester Avenue, White Plains, NY 10604  
www.amalgamatedlife.com
I am pleased and privileged as president of the National Association of Insurance and Financial Advisors-New York State to welcome you to LIFENY. As part of our effort to bring greater awareness to the issues of great interest to our profession, NAIFA-NYS has teamed with CINN Worldwide, publishers of the Insurance Advocate®, to bring you this quarterly publication. This project will become a foundational part of our association’s new communications strategy.

Advocacy is more than just walking the halls of the Legislature or meeting with our regulators. It requires a consistent and comprehensive messaging of our importance to the public on both the value of the economic security we provide and the economic value we provide as business owners and operators. LifeNY is geared to educate our fellow insurance industry professionals, government officials and our friends and neighbors.

I encourage each and every one of you to read through the publication, take its messages to the streets, and pass it around to those who you think would be interested in learning more about this great profession. We will happily provide limited reprints for your use. We also encourage you to provide information that we can use in future LifeNY publications.

Thank you for all you do for the industry, or for your interest in our business. I hope you enjoy this inaugural edition of LifeNY.

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Welcome to LIFE N.Y. National Association of Insurance Financial Advisors-NYS (NAIFA-NYS), the magazine of the National Association of Insurance Financial Advisors-NYS (NAIFA-NYS) published by the Insurance Advocate®, serving New York agents and companies since 1889. We look forward to serving you.

Sen. Warren’s presumptuous, unsolicited advice to Gov. Cuomo on the selection of the next DFS chief demonstrates that she is orbiting way beyond Pluto. She’d like it if the Governor were to appoint the Marquis de Sade to teach love to bankers and financial institutions here. Naïve interlopers have no place in New York processes, especially as our economy includes the world’s leading economic institutions who pay taxes, employ hundreds of thousands and seek only a fair regulatory environment in return. The Governor will get that, no doubt.

Fast on the heels of the announcement that Anthony Albanese will fill the role of Acting Supt. of the DFS to succeed Benjamin Lawsky a letter to the Governor from Elizabeth Warren call upon him to find and name a prosecutorial czar to shake up the financial services sector. The socialist herself knows few bounds and wants that same license for prosecutors so they can hammer the sector into oblivion or into a new way of underwriting that solves her social agenda.

That’s just what the State needs, a worse reputation as being unfriendly to business and business leaders.

Meanwhile back on earth, Ben Lawsky issued a memo to staff explaining that he is “transitioning out of my role as superintendent next week” and that his current chief of staff, Anthony Albanese, “will take over as the acting superintendent while the governor’s office conducts a search for a permanent replacement.”

Albanese has been chief of staff since 2011 and is seen as a tough but fair-minded man. Not much to interpret in the appointment.

Naïve interlopers have no place in New York processes, especially as our economy includes the world’s leading economic institutions who pay taxes, employ hundreds of thousands and seek only a fair regulatory environment in return.
The results of the 2015 Life Insurance Barometer — the fifth annual measure of consumer trends and perceptions regarding life insurance, retirement and their financial well-being conducted by the non-profit Life Happens and LIMRA — found that while the majority of Americans know they need life insurance, a lack of awareness about the cost of life insurance is preventing them from purchasing it.
According to the report:

- Cost remains the reason most Americans give for not owning life insurance, but 80 percent of consumers misjudge the price for term life insurance;
  - Millennials: overestimate the cost by 213 percent
  - Gen Xers: overestimate the cost by 119 percent
- Only about a third of consumers knew that their credit histories and driving records could affect how much they pay for life insurance
- Less than half realized their hobbies and lifestyle could impact the cost of their life insurance policy
- What’s more — the overestimation of the cost is causing many to prioritize other short-term expenditures over long-term financial security:
  - 29 percent of Millennials cited saving for vacation as a priority over purchasing some or more life insurance;
  - 23 percent of Gen Xers said paying for recreational activities such as going out to eat, movies or shopping was a priority over purchasing some or more life insurance;
  - 49 percent of those 65 and older cited paying for expenses such as Internet, cable and cell phones as a priority over purchasing some or more life insurance.

The study found that nearly one-third (30 percent) of Americans believe they need more life insurance and more than two in five (43 percent) say they would feel a financial impact within six months if the primary wage-earner died. However, the majority of Americans (54 percent) say it is unlikely they will purchase life insurance within the next 12 months.

"We’ve consistently seen over the last five years that consumers think life insurance is more expensive than it really is, and now we’re seeing many are also confused as to what factors determine the cost for life insurance," said Marvin Feldman, CLU, ChFC, RFC, President and CEO of Life Happens. "We need to help educate the public about how affordable life insurance can be and the factors they can control to ensure they get the best and most comprehensive protection possible."

**Understanding Cost Factors**

While most consumers have a moderate understanding on how age and health factors can affect the cost of life insurance, many are unaware of other factors that can impact how much they pay for life insurance.

"Only about a third of consumers knew that their credit histories and driving records could affect how much they pay for life insurance, and less than half realized their hobbies and lifestyle could impact the cost of their life insurance policy," said Todd A. Silverhart, corporate vice president and director, LIMRA Insurance Research.

"In addition to believing life insurance is too expensive, our research has shown that consumers are intimidated by the process of buying life insurance — four in ten don’t know how much they need or what to buy. Having a better understanding about the factors that influence pricing might help consumers feel more confident and encourage them to pursue getting coverage they believe they need."

The Barometer also found that information about those cost factors may not be reaching potential customers as effectively as previously believed. Younger Americans are more likely to use the Internet to shop for insurance, and older Americans are more likely to purchase offline, however the age at which those purchase preferences begins to change occurs at 45 – about a decade later than had previously been thought. This finding could help shed new light on the most effective ways to engage specific age groups about life insurance.

60 percent of Millennials said the same

What is clear is that while Americans understand the importance of life insurance, they continue to prioritize other short-term expenditures, often failing to understand how affordable life insurance can be.

Despite the misconceptions around the overall cost and what factors go into the pricing of a life insurance policy, Americans can lower the cost of their policies, as is widely known:

- Living a Healthy Lifestyle: Life insurance companies factor in health choices including tobacco use, maintaining a healthy weight and keeping chronic conditions, like diabetes, under control when calculating life expectancy – a consideration when determining a premium. Reporting weight loss, beginning a tobacco cessation program and following prescribed treatment for chronic conditions can all result in savings on monthly premiums.
- Non-Health Lifestyle Factors: Other lifestyle behaviors may be just as important to lowering the costs of premiums, including having a safe driving record and maintaining a good credit score. In addition, activities such as scuba diving, recreational flying and boat racing can impact the costs associated with life insurance premiums, so it is important to have a conversation with a financial advisor to review all certifications and licenses in advance.
- Managing Policy: How one buys and manages a policy can be just as important to lowering the cost of insurance as lifestyle choices. One of

**WE NEED TO HELP EDUCATE THE PUBLIC ABOUT HOW AFFORDABLE LIFE INSURANCE CAN BE...**

**LIFE INSURANCE CAN BE...**

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the best ways to save on life insurance premiums is to buy earlier on in life. Additionally, carriers may offer discounts for those who pay premiums annually rather than on a monthly basis. And all carriers agree that an annual review of the policy is an important way to make updates that may result in cost savings.

Study Methodology
The 2015 Insurance Barometer Study was fielded in January 2015 using an online panel, which surveyed 2,032 U.S. adults age 18-75. The data were weighted by age, gender, education, race, region, and income to be representative of the general population. A propensity score adjustment was added to correct for biases inherent in Internet panels. The margin of error in this study is three percentage points.

About Life Happens
Life Happens is a nonprofit organization dedicated to helping consumers take personal financial responsibility through the ownership of life insurance and related products. The organization does not endorse any product, company or insurance advisor. Since its inception in 1994, Life Happens has provided the highest quality, independent and objective information for people seeking help with their insurance buying decisions. The organization supports the insurance industry by providing marketing tools and resources and convening the industry each September for Life Insurance Awareness Month. Life Happens is supported by more than 140 of the nation's leading insurance company and financial services organizations. To learn more, visit www.lifehappens.org.

About LIMRA
LIMRA is a worldwide research, consulting and professional development organization that helps more than 850 insurance and financial services companies in 73 countries increase their marketing and distribution effectiveness. Visit LIMRA at www.limra.com.

What is clear is that while Americans understand the importance of life insurance, they continue to prioritize other short-term expenditures, often failing to understand how affordable life insurance can be.

Life Lessons Scholarship Program

The loss of a parent or guardian is one of life’s most difficult ordeals. The emotional strain can be devastating to children and young adults. And for too many families, an untimely death also brings financial stress, making recovery all the more difficult. A college education is already a major financial challenge for most American families, but it becomes infinitely more difficult for a student when a parent dies, leaving little or no life insurance.

Life insurance is an important financial safety net that parents can leave their families. Unfortunately nearly 100 million Americans don’t have life insurance, and most with coverage have far less than recommended.

Recognizing the character and perseverance that so many young people show in the face of such adversity, Life Happens sponsors the annual Life Lessons Scholarship Program for college students and college-bound high school seniors. Qualified entrants who submit essays or videos about how the death of a parent impacted their lives are eligible for scholarship money. Over a million dollars in college scholarships have been awarded over the years. The total of scholarships for the 2015 Program is $225,000, and will be allocated in the following amounts:

- Grand Scholarship Recipients (3): $15,000
- Board of Directors Scholarship (1): $10,000
- Life Lessons Swiss Re Scholarship (1): $10,000
- Life Lessons State Farm Foundation (2): $12,500
- First Runners-Up (10): $8,000
- Second Runners-Up (11): $5,000

Note to Students
The Life Lessons Scholarship Program is an annual program. Online applications are solicited during the February timeframe and scholarship recipients are notified in the June timeframe.

Entering is easy. First, read the rules to make sure you qualify, and then enter online. In addition to some basic information, you’ll need to submit either a 500-word essay OR a 3-minute video discussing how the death of your parent or guardian affected your life financially and emotionally. Be sure to describe how the loss of your parent/guardian impacted your college plans, and explain how the lack of adequate life insurance coverage (or no coverage at all) impacted your family’s financial situation. To view the full description you can go to the application page here.

If you have any questions, please email scholarship(at)life-happens(dot)org, or call (202) 464-5000 x4446.

Donate to the Life Lessons Scholarship Fund
Individual contributions are accepted from those wishing to support this important initiative. Your financial support can make a world of difference for a young person struggling to afford a college education due to the loss of a parent or guardian. Donations to the Life Lessons Fund are tax-deductible. Visit http://www.lifehappens.org/life-lessons-scholarship-program/donate-to-life-lessons/
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As a young legislative staffer back in the onset of the 1980s I was given two early lessons: one had to do with attending the same meeting with a reporter, reading about it the next day, and wondering if I was at the same meeting; the other was to never underestimate the power of the independent insurance agent, and never believe the rumors of their imminent demise. The first lesson I remember almost every day, and the second lesson came racing back to me when I read the piece in the January 19, 2015 New York Times, “Insurance Via Internet is Squeezing Agents.”

The news of the insurance agent’s demise, to torture Shakespeare, is and has been greatly exaggerated for decades, not that there aren’t challenges to their continued existence as they currently know it. But the idea that the Internet, after all sorts of other potential predator-like previous efforts at the integration of financial services (before the subsequent disintegration of financial services), would be the force that finally fells the professional insurance agent is still hard to believe. If anything, the Internet provides the agent with an opportunity to expand their market presence without leaving the office, and be even more competitive than before on a much wider platform.

It is not the Internet, and of itself, but rather in whose hands the Internet is placed that is the real culprit in this story. The Internet is not a demon, and many of us have come to appreciate the sheer power that modern technology has brought to our business platforms: the Internet in the hands of some technology companies, insurers and even some agents is more the problem. And it is not just a problem for the agent but for the insurance consumer themselves. The commoditizing of insurance through the Internet (or whatever the next technology portal may be) is the real danger to the market, to carriers (whether they appreciate that or not at this point in time is another story) and certainly the insurance agent. Giving the insurance-consuming public the idea that insurance is a thing, a commodity, to be bought rather than a service to retain takes the very DNA of insurance out of the corpus; to convince the insuring public that insurance is to be bought on price alone, or without regard to risk profile, or in an amount of time faster than it takes to do just about anything else (it should at least beat the time to hard-boil an egg, one would think) is to dumb down the insurance intelligence quotient even further than it has already gone within the general public.

The insurance agent and broker is the connection between the consumer and the complicated world of insurance, explaining terms and coverages on the underwriting side, and guiding through the claims processes on the unfortunate side. They are the person to whom much of the public entrusts their economic security, and the person they may even turn against if it was found that their economic security was not properly protected. I have...
never understood the concept of entrusting things most cherished to a disembodied voice or worse, a modem. The Internet, as a tool, actually allows the insurance agent to do more, for more, thus enhancing the service aspect of the agent/consumer relationship, but it cannot ever be mistaken for the agent and the value they bring to the insurance transaction.

Just as the insurance agent community has largely been responsible for preventing its earlier demise by re-inventing the profession in any one of a number of ways, they now have another opportunity to seal their fate to a profitable future and satisfying career by doing double-time in their education of the general public that insurance is not a pizza or take-out Chinese or anything else you want quick and easy; that an agent provides an important—even critical—service which may cost a couple of dollars now but could mean many more dollars in appropriate coverages or effective claims processing; that insurance is not Google, not virtual and certainly does not come with a re-set button when things do in fact go bad.

As for the efforts of Google and others to “Uberize” the insurance process and really drive the insurance purchasing process to one just of price and not coverage, well, we are seeing firsthand the downside of the Uber business model as it attracts justified criticism around the world for cutting corners in, ironically enough, the issue of insurance coverage, among other weaknesses. It will be up to the regulators in insurance, just as it has been the regulators in transportation, to make certain that the Internet has not fostered a series of shortcuts that actually shortchange the insuring public. Some regulators have been dazzled by new technology and have scoffed at the old laws whose best days they say are long past. There was wisdom in those laws, and many of them have withstood the test of time regardless of the trends in modern technology (remember, the telephone and the desktop were both once considered new technology that would change the world and leave many, like insurance agents, behind).

The regulator should be as concerned about Google and Walmart getting into insurance as they were when financial services integration, or the creation of “financial supermarkets” as they were referred to in the early stages of that chapter in this industry’s history. Both business models are premised upon a commingling of personal information mined from multiple sources, and just as there was appropriate concern about insurance and banking being done by the same people inside a bank branch there should be similar concern about buying insurance and covering risks through the likes of a Google, Facebook and even Walmart who look to or have entered the insurance business, either directly or through partners and surrogates. Issues that regulators have beaten carriers and banks over the head about for years need to be raised with those technology companies that have already achieved integration of financial services, but under the disguise of technology.

The toughest part for the agents, believe it or not, will not so much be in trying to beat the competition from the technology companies like a game of technology Whac-a-Mole as it will be in taming the use of the Internet by the very customers they seek to court. Encouraging the public to work a little harder at something as important as insurance, rather than seeking the same instant gratification they achieve with a Facebook post or a car service hail via app, will not be easy or necessarily popular. In a world of stiff competition in automobile and homeowners insurance and tight insurance company margins, this message may not be received so well by the carriers either, certainly among those who have invested heavily in Internet-based marketing. Agents, for their part, will have to, again, convince the insuring public and carriers that the value proposition of selling insurance as a service which can only be provided by agents is a good proposition, that the commission add-on to the premium paid by consumers is good value, and that eliminating the agent is more deleterious than eliminating the amorphous “middle man.” Perhaps the challenges from the Googles of the world may even bring the carriers and agents back together again to provide the one thing that Google, Walmart and others won’t ever give: good customer service.

I won’t bet the mortgage in Vegas that the insurance agency force won’t decline and wither over time, and the forces against them look as formidable as any that they have confronted in the past. But I learned at the very outset of my career that the predictions of the demise of the insurance agent are even less reliable than those about the weather.
An essential part of networking today is to be “memorable” for the right reasons. OK, what does this mean? It means recognizing and developing your personal brand. Without the creation of your personal brand, it will be very difficult to network effectively.

A brand is often described as a “collection of perceptions” people have about a product, service or organization. It is what sticks in their minds and helps them make buying decisions. In the insurance industry it’s all three. But people don’t only have perceptions about products, services and organizations; they also develop a collection of perceptions about the people they meet. A personal brand is as important as your agency’s brand. Whether you own your own agency or work for one, your personal brand will play a huge role in your networking success.

I say we all have a personal brand. Each and every one of us has our own unique personal brand that influences other people’s decisions about whether to do business with us and our agency. This personal brand has a powerful impact – not only on the people we meet and do business with, but all of the other people within their networks too. People (customers/prospects) talk about us just as they talk about products, services and organizations.

When you consider that research suggests word-of-mouth recommendation has a far greater influence (more than 85%) over how a person makes a purchase than other forms of marketing, you can start to appreciate the potential impact of your own brand.

But how do you recognize what your personal brand is? How can you shape it so that you influence other people positively? That’s the million-dollar question.

How do I know what my personal brand is?

First of all I would recommend to you to read Andy Milligan’s book called “Brand it Like Beckham.” In his book he outlines the key factors of David Beckham’s brand (which we all know is amazing). The two factors are that it’s split into his public and private “self” and what he is very well known for in each area. His “private” brand, which is anything but private (and it’s done on purpose), are his roles as son, father and husband while his public brand includes being a celebrity, soccer player, and fashion icon.

These are the two core elements of what has become a successful brand combining the “ordinary” London boy (which we all know he is far from ordinary) with the more exceptional professional soccer player and celebrity. But it doesn’t stop there.

There are other characteristics, including Beckham’s ethics, values, motivations, ambitions, personality, interests and his numerous connections, as well as more visible qualities such as his appearance and communication style. In my eyes he is one of the best communicators through his fashion in today’s era.

The most important part of Beckham’s personal brand is how it is broader than his professional reputation alone. His brand recognizes that the whole person needs to be considered when identifying a personal brand and he has mastered it.

How to apply this personal brand lesson to your life — can you describe your core brand? In David’s life he has a:

1. Private Brand:
   - entertainer, Londoner, endorphin junkie.

2. Professional Brand:
   - networking expert, speaker, coach and trainer.

I wouldn’t stop there; I would add additional qualities and characteristics such as ethics, morals, ambitions, motivations, personality etc….

I wanted to share a brand lesson on someone like David Beckham because everyone knows who he is and he makes a great example of someone who has mastered his Personal Brand. You can learn a lot more from Andy Milligan’s book.

Why should I care about my personal brand?

There are three major components where our own and other people’s awareness of our brand can help or hinder you in your networking:

Component Number One – Creating a powerful “impact”

Your “impact” on others
happens in three stages:

1. Your immediate impact: When they first see you, what do they think even before you’ve opened your mouth? Your first seven seconds may help you or hinder you. This is the most powerful part of the impact.

2. The initial conversation: What you say and how you say it, how you build rapport. The tone of how you talk to others matters along with your facial expressions and body language.

3. After the conversation is over: How you follow through with that person or group and develop the relationship. I personally feel a handwritten card is a critical part of this final process. Yes, call me old school but I feel it’s a major ingredient to your “after the conversation” success.

Component Number Two – Raising your personal profile
Whatever you or your agency put out there (not only in the internet world) in terms of your personal brand will dictate how you are remembered, recognized and ultimately recommended or not to other people.

Component Number Three – Allowing your contacts/connections to inform and connect you
Only if your contacts or connections are clear about who you are (personal brand) and what you are trying to achieve, and they TRUST you enough, will they be able and willing to pass you the information you are looking for and connect you with the right people. In our industry, it isn’t all about meeting the right people. This will only happen if we can get into their Trust Tree.

With all this being said you need to be able to identify and communicate. Your personal brand is an essential ingredient of successful networking. If you are working with others, such as your agency’s marketing team or a personal brand consultant, then the personal brands of all these individuals will determine how your company or team brand is formed.

How do I promote my personal brand?
You can only get to this step after you’ve identified your personal brand and you are very comfortable with it. Then you need to market it. It’s best to do this in a way that emphasizes your personal brand qualities. Let me give you an example. A networking expert, Carlos Vargas of Vargas and Vargas in Massachusetts, demonstrates to his community he is a networking expert. It’s not enough to simply say “this is what I am and I’m an expert.” If you follow him on Facebook you will see he is out in his community every day, promoting his community and his clients. All of his posts say he’s an expert, without actually saying it.

Here are some of the things you need to do to have success:
• Become that expert: Gather as much knowledge as possible about networking events in your area, including events and groups on networking skills, new ways of networking, the benefits of networking, etc. A great way to become that networking expert is to go onto Facebook and follow great networkers in our industry such as Carlos Vargas, Dave Jackson, Tom Larson, Mike Stromsoe, Linda Rey or Claudia McClain. You can and will learn a lot just by following these industry leaders.
• Be willing to share your expertise: This may mean offering free advice or information, offering mentoring or coaching, being a motivational leader, or pointing people in the right direction for their own networking.
• The best networkers, like Mike Stromsoe or Claudia McClain, are always looking to help and they are not looking for anything in return. They are two great examples of people willing to share their expertise. Sharing their expertise is what makes them so successful!
• Be well-connected and share your connections with other people: Be the connector. You really need to be walking the walk and talking the talk. What does this mean? It means being seen at events, moving around with ease and being able to connect people, like Carlos Vargas who is supporting causes in his community every single day and promoting it on Facebook and other social avenues.

What NOT to do:
• Don’t become a networking bore: With all the social noise today you do not want to become that bore because people will shut you off or tune you out very quickly. Become more than just a networking expert. You don’t want people to think “Oh no, he’s going to talk about networking again.” You need to be prepared to have conversations about more than networking. You will need to be able to talk about a wide range of topics such as local sports, politics, etc., which will get others to see you as a great networker.

Keeping your personal brand fresh!

Every brand needs to be kept fresh and relevant, especially in today’s fast moving society. Your brand needs to reflect changes in your community and market as well as changes in your own personal goals and/or ambitions. Remember one key fact — it is YOUR personal brand and YES you can change it. It’s your brand after all so you need to grasp it and own it. Make sure it’s what you want it to be and then get it out there, working for you and your insurance business.
In the wake of some of the largest data breaches to hit health insurance companies, the National Association of Insurance Commissioners has followed on the heels of the Securities and Exchange Commission and has issued “Guidance” on cyber security. In April, the Cybersecurity (EX) Task Force of the National Association of Insurance Commissioners (NAIC) adopted the Principles for Effective Cybersecurity Insurance Regulatory Guidance.

The Principles for Effective Cybersecurity: Insurance Regulatory Guidance looks to state insurance regulators “to ensure that personally identifiable consumer information held by insurers, producers and other regulated entities is protected from cybersecurity risks.” The guidance encourages insurers, agencies and producers to secure data and maintain security with nationally recognized efforts such as those embodied in the National Institute of Standards and Technology (NIST) framework. The NIST framework provides guidance on managing and
reducing cybersecurity risk for organizations of all sizes, putting them in a much better position to identify and detect attacks, as well as to respond to them, minimizing damage and impact.

Producers, agencies and insurance companies could all be held liable for the loss of Protected Health Information (PHI) and personally identifiable information (PII) of prospects and clients…

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Producers, agencies and insurance companies could all be held liable for the loss of Protected Health Information (PHI) and personally identifiable information (PII) of prospects and clients, such as a person’s full name, date of birth, address, and Social Security number.

The basic function of the NIST Framework consists of five functions, each divided into subcategories, as well as standards, guidelines and best practices. A security consultant who specializes in threats and cybersecurity can assess your network and help you secure your network using the NIST Framework and other standards. Whomever you work with should be familiar with common threats targeting the insurance industry, as well as the tactics, techniques and procedures attackers are using around the globe.

NIST Five Functions

Function 1: Identify

Identify your assets and risk so you can prioritize your security efforts. The first thing you’ll need to do is conduct a risk assessment to identify all your information assets, such as client lists, business strategies, marketing information, and client data. Then rank each of them according to their values, from very low to very high, to help you focus on protecting the high-value data. You’ll also need to do a vulnerability assessment to see what systems and company Web-facing applications are weak. Your assessor can help you rank the likelihood and probability of a threat exploiting certain vulnerabilities, and can assess your internal and external network controls, policies and procedures, gaps compared to regulations, and best practices.

Function 2: Protect

Once you know your information assets and their values, you can gauge your resources accordingly and decide what measures to take to protect them. Not only might you need security devices and software, you’ll need people to continually operate the devices. Many organizations erroneously believe that they can buy a security solution to protect their networks from intruders. However, all cybersecurity protective devices (firewalls, instruction protection/detection systems, unified threat management appliances and others) need to be consistently configured, managed and updated with the latest patches—as long as the update won’t harm the network. Once you buy a protective device, you need a human being for it to operate to its best ability. No matter what any security vendor says, all protective devices need consistent human interaction. There is no device that works automatically after plugging it into your network. Numerous breaches have occurred because people were not properly operating protective devices. When devices are not properly and consistently configured, hundreds of alerts go off and are ignored. Then the story becomes “The Boy Who Cried Wolf.”

Function 3: Detect

Although you could have hundreds of preventive controls to prevent security incidents, some will still occur. That’s why it is important to be able to detect any anomalous activity as quickly as possible to get any attackers out as quickly as possible to prevent or lessen any damage. To spot attacks quickly, you need to monitor your network traffic and your endpoints (servers, workstations and laptops) 24 hours a day. It takes about 48 days for most organizations to recognize they’ve been breached, according to the 2013 survey report “Post Breach Boom” by the data security research center, Ponemon. However, when your network is continuously monitored, you...
can spot anomalous activity as soon as it occurs. In addition to monitoring your network, you also need to have detection systems on your endpoints (servers, laptops and workstations) that are also continuously being monitored. That allows you to see any anomalous activity on them so you can stop the attackers before they traverse the network.

Function 4: Respond
The sooner you recognize you’ve been breached, the sooner you can get the attackers back in your network, not only do you lose more and more data, it becomes more difficult and costly to get the attackers out.

Getting attackers out of your network takes a lot of expertise that most organizations don’t have. Less than half of respondents to the Ponemon Post Breach survey said their organizations have the tools, personnel and funding to prevent, quickly detect and contain data breaches. While your organization can try to respond to a breach on its own, unless it has a full-time security team that works with threats day in and day out conducting incident response engagements, has a global view of the threat landscape, and is familiar with certain patterns attackers make in networks, it may not be able to remove the entire threat. If it removes all but one trace of the threat, the attackers could still be hiding inside the network. To fully remove the threat, it often takes the expertise of a team that has handled hundreds of engagements and is familiar with the tools, techniques and procedures attackers use.

The average time to resolve a cyberattack is 45 days, with an average cost to participating organizations of $1,593,627 during this 45-day period, according to the 2014 Cost of Cybercrime Study: U.S. by Ponemon. That long time span and high cost can be greatly reduced if you understand the attackers and the ways they work.

Professional incident response (IR) teams that conduct IR engagements full time could get attackers out in hours or days compared to weeks. Security companies offer IR retainer contracts that guarantee experts can be onsite within 24 hours to begin remediating a breach when necessary, and that you get discounted rates, usually saving you about $100 an hour. Without a retainer, it could take an organization a few days to select an IR team and for one to become available. The sooner you get the attackers out, the less cost overall. Results from the Ponemon 2013 Cost of Cybercrime Study: U.S. show a positive relationship between the time to contain an attack and organizational costs incurred from business disruption, data loss, recovery costs and legal costs. The total annualized cost of cyber crime in 2014 ranges from a low of $1.6 million to a high of $60.5 million.

Function 5: Recover
Recovering from an attack takes planning long before your network is breached. You should have a Business Continuity Plan in place, as well as policies and plans in place to run your website and network from another offsite location. You should always keep hardware backups of your data each day. A security consultant can work with you to help you decide how much and what data needs to be backed up, as well as what critical systems and components are essential to your organization’s success. The recovery function helps you restore capabilities and services that were impaired. All these decisions need to be made before a crisis.

Although independent agents probably won’t have a network to protect, at the very least they should take applicable steps to secure their computers. They need to ensure privacy of their prospects’ and clients’ personally identifiable information (PII), including addresses, dates of birth, Social Security numbers, health data, and insurance policy information. They should ensure their computers are password protected so an intruder would be unable to access data on it. They should also use a private network at home and a virtual private network (VPN) whenever connecting to a public network. Using a public network at a coffee shop or restaurant makes it easy for attackers to snoop and see everything you are doing on the network. They can see all the sites you visit and everything you type on an online site, such as your login credentials. The right VPN will encrypt all traffic so even if attackers manage to snoop on your online activity, all they would see would be unintelligible gibberish.

Recovering from an attack takes planning long before your network is breached. You should have a Business Continuity Plan in place, as well as policies and plans in place to run your website and network from another offsite location.
# 2015 NAIFA MEMBERSHIP APPLICATION

Application for: NAIFA - NYS LOCALS: Please check one:

- __ Adirondack .............. $515
- __ Capital District .......... $495
- __ Greater Metro Region .... $495
- __ Mohawk Valley .......... $544
- __ Syracuse ................ $555
- __ At Large ................. $495
- __ Chautauqua ............. $584
- __ Ithaca ................... $545
- __ Rochester ............... $575
- __ Western Catskill ....... $495
- __ Buffalo .................. $550
- __ Finger Lakes ............ $495
- __ Orange Sullivan ....... $530
- __ Ulster ................... $545

APPLICANT’S FULL NAME (FIRST, MIDDLE, LAST NAME)
__________________________________________________________________________________

YEAR OF INITIAL LICENSE

DATE OF BIRTH

DESIGNATIONS

TITLE

PRIMARY COMPANY

FIRM / AGENCY NAME (IF APPLICABLE)

Business Information:

*Address__________________________________________________________

______________________________________________________________

*City/State/Zip ________________________________________________

*Tel. _______________________________________________________________________

Fax ________________________________________________________________________

*Email _______________________________________________________________________

Home Information:

*Address__________________________________________________________

______________________________________________________________

*City/State/Zip ________________________________________________

*Tel. _______________________________________________________________________

Fax ________________________________________________________________________

*Email _______________________________________________________________________

Producer Type:

☐ Independent Agent
☐ General Agent/Manager
☐ Home Service
☐ Broker
☐ Multiline Agent
☐ Career Agent
☐ Bank Agent
☐ Other ______________________

Complete Form Below

☐ Bank or Credit Card Draft (complete reverse side)
☐ Check enclosed in the amount of $ ______________ for annual membership fee (payable to NAIFA-NYS)
☐ Charge my credit card $ ______________ for annual membership fee: ___ MC/Visa ___ Amex

Card # ___________________________________________________________ Exp. __________ CVV # __________ (3 digits MV/Visa – 4 digits Amex)

Cardholder Name/Address/Phone:
______________________________________________________________________________

______________________________________________________________________________

______________________________________________________________________________

Signature  
______________________________________________________________________________

If paying by credit card, FAX to Member Services at (845) 247-5480. Mail payment & application to:
NAIFA -NYS, Member Services, P.O. Box 392, Fishkill, NY 12524
Questions? Contact Member Services at (845) 298-2561 Email: naifanys@gmail.com
Please sign & date where indicated on the back of this page.
2015 NAIFA MEMBERSHIP APPLICATION

THE RESOURCES YOU NEED
TO SUCCEED!

Membership Agreement
I agree to abide by the association bylaws and NAIFA’s Code of Ethics (see below) and certify that:

a. I have not been accused in writing or been found in violation of the code of ethics of any professional organization of which I am a member. A state or federal licensing or regulatory body has not censured, fined or reprimanded me, or revoked or suspended my investment advisor, securities, or insurance license(s). I am not a defendant in a criminal action. If a criminal judgment has been entered against me in the past, it has been disclosed to NAIFA and its predecessors.

b. I agree that neither the Association nor its individual members, officers, directors, agents or employees shall be liable to me, individually or jointly, if this application for membership is rejected or for the consequences of any disciplinary action which may be sought or taken against me under the local Association’s bylaws or Amendments thereto or any disciplinary or penal action which may be sought or taken against me under the laws of this or any other state or jurisdiction, or for any statement which the Local Association or any of said individuals may issue relative to any such action; provided, for its or their gross negligence or willful misconduct.

c. I understand and agree that my application for membership will be declined if it does not obtain a majority vote of the Board of Directors, or in the opinion of the Board of Directors, I am or will be unable or unwilling to conform to any of the foregoing requirements.

OR (check if any statements apply):
☐ I have been accused in writing or been found in violation of the rules or code of ethics of a professional organization of which I am a member. A state or federal licensing or regulatory body has censured, fined, or reprimanded me, or revoked or suspended my investment advisor, securities or insurance license(s).

☐ I am a defendant in a pending criminal action or a criminal judgment has been imposed against me that has not been disclosed to NAIFA or its predecessors.

I will attach complete details with this application. I understand that a finding of such violation may create a presumption that I have violated NAIFA’s Code of Ethics.

Signature __________________________ Date ________________

For your information: Your local association (NAIFA - _______________) is a member of the state (NAIFA – NY State) and national (NAIFA) associations. Your dues are divided between each association. Association dues are not deductible as a charitable contribution for federal tax purposes. However, dues payments may be deductible by members as ordinary business expenses. The portion of your dues that the NAIFA federation spends in lobbying activities may not be deducted from your federal income taxes.

This portion of your dues, therefore, is not deductible:

NAIFA $73.00
NAIFA-NYS $31.35
Total Dues Not Deductible $104.35

AUTHORIZATION AGREEMENT FOR MONTHLY DEBIT/CREDIT PAY
I hereby authorize the National Association of Insurance and Financial Advisors, hereinafter called NAIFA, to initiate debit/charges to my: (select one)
☐ VISA ☐ MC ☐ Amex ☐ Checking Acct. ☐ Savings Acct. at the depository financial institution named below hereinafter called DEPOSITORY, and to debit the same to such account.

Attach a voided check from the account to be drafted.

Bank Name/Credit Card Name __________________________
Bank Routing Number (ABA #)/Expiration Date ___________
Bank Account Number _________________________________
Credit Card Number _________________________________

Note to Members Paying by Bank Draft: NAIFA will debit/charge your account on the 5th of every month. Debits/Charges will begin the month following receipt of this application. You will be notified in advance of any adjustments in your monthly debit/charge, resulting from any dues adjustments. There is a $0.50 per month transaction fee, which is added to the monthly deposit/charge amount. If your membership is being reinstated after a lapse, the first debit/charge will reflect the amount due for the delinquent months. If the participant has insufficient funds in his/her account to cover the monthly draft, NAIFA will charge a $15.00 fee on the next monthly debit. The participant will be removed from the program and all benefits will be terminated. The participant will not be eligible to receive benefits again until his/her account is brought current. Once you have enrolled in the bank draft/monthly credit card program, you are committed to pay full annual dues in 12 monthly payments. If you fail, for whatever reason, to complete your full membership dues obligation, you are still liable for the remaining unpaid balance.

NAIFA CODE OF ETHICS
Preamble: Those engaged in offering insurance and other related financial services occupy the unique position of liaison between the purchasers and the suppliers of insurance and closely related financial products. Inherent in this role is the combination of professional duty to the client and to the company as well. Ethical balance is required to avoid any conflict between these two obligations.

Therefore, I Believe It To Be My Responsibility:
To hold my profession in high esteem and strive to enhance its prestige;
To fulfill the needs of my clients to the best of my ability;
To maintain my clients’ confidences;
To render exemplary service to my clients and their beneficiaries;
To adhere to professional standards of conduct in helping my clients to protect insurable obligations and attain their financial security objectives;

To present accurately and honestly all facts essential to my clients’ decisions;
To perfect my skills and increase my knowledge through continuing education;
To conduct my business in such ways that my example might help raise the professional standards of those in my profession;
To keep informed with respect to applicable laws and regulations and to observe them in the practice of my profession.
Peter C. Browne to Receive 2015 John Newton Russell Memorial Award

The life insurance industry’s highest honor will be presented at the NAIFA Career Conference and Annual Meeting in October as a tribute to his more than 50 years of service and contributions to the industry. The National Association of Insurance and Financial Advisors (NAIFA) is proud to announce Peter C. Browne, LUTCF, co-founder of Price, Raffel & Browne, as the recipient of the 74th annual John Newton Russell Memorial Award. The award is the highest honor accorded by the insurance industry to a living individual who has rendered outstanding services to the institution of life insurance.

Mr. Browne will receive the award October 4, 2015, at the NAIFA Career Conference and Annual Meeting in New Orleans.

“On behalf of the selection committee, we are pleased to recognize the remarkable achievements of Peter Browne with the 2015 John Newton Russell Memorial Award,” said Robert A. Miller, M.S., M.A., chair of the 2015 award committee. “On a more personal note, it is very gratifying for me to see Peter receive this well-deserved honor, as he contributed immeasurably to my own success. He served as a mentor and nurtured me in my career, as he did for many other agents. I consider Peter my ‘NAIFA father.’ He got me involved with NAIFA, and without him I would never have been so invested in my own success and the success of my colleagues.”

Mr. Browne began his career in the insurance industry in 1962 as an agent in the Rochester agency of the Union Central Life Insurance Company. He was a part of the Rochester Institute of Technology School of Business Work Block Program as a college agent. He became the Rochester agency manager in 1964, where he recruited and mentored numerous agents who went on to great success. In 1970, the Union Central Life Insurance Company sent Mr. Browne to New York City as an aspiring manager of the C.B. Knight Agency, which at one time was considered to be one of the country’s largest life insurance general agencies.

In 1984, Mr. Browne along with Arnold Price and Stuart Raffel founded Price, Raffel & Browne. With offices in New York and Los Angeles, the company now is one of the largest pension and profit-sharing consultants in the United States.

Mr. Browne has qualified for the Million Dollar Round Table continuously for over four decades, earning membership in the MDRT Top of the Table for the last 30 consecutive years. He is an inaugural inductee into the Union Central Life Hall of Fame. As agency managers, Mr. Browne and his partners have won numerous awards, including the President’s Trophy and Crystal Trophy.

Mr. Browne served for years on the NAIFA Board of Trustees and as treasurer of the national organization. He is a past-president of NAIFA-New York State, as well as NAIFA-New York City. He has served on the Board of Trustees of The American College and is currently the immediate past chairman of the American College Foundation Board. At The American College, he was instrumental in creating and funding the Larry R. Pike Chair in Insurance and Investments. In 2010, The American College awarded Mr. Browne the President’s Trophy, and in 2012 Mr. Browne was awarded the Huebner Gold Medal along with his good friend and past John Newton Russell Award recipient Alan Press, CLU, LUTCF. Mr. Browne is a past member of the Life Happens Board of Trustees and a past member of the national board of the Life Underwriters Training Council and the board of GAMA International.

“I was thrilled to learn that Peter Browne is the 2015 John Newton Russell Memorial Award recipient,” said NAIFA President Juli McNeely, LUTCF, CFP, CLU. “His service to his clients and colleagues as well as to industry organizations like NAIFA, The American College and GAMA International epitomizes the exceptional dedication and talent that this honor was created to recognize.”

John Henry Russell created the John Newton Russell Award in 1942 as a tribute to his father, an influential leader in the life insurance industry and an early advocate of agent education. John Newton Russell served as NAIFA (then NALU) president from 1916 to 1917 and was a contributing founder of LIMRA International, The American College and the Chartered Life Underwriter (CLU) designation.
The past 12 months have been an exciting journey that we, as NAIFA-NYS members and leaders, embarked on together to set in motion the changes needed to enhance and once again raise the bar for the NAIFA in NYS; embracing communication, legislative and regulatory relevance, and relationship building, all to support the underlying mission of the organization: “To protect the business interests of insurance professionals and the commensurate financial security interests of their clients.”

We invite you to visit snapshots from the past year!

During the late summer of 2014, a new website and communications platform was launched to better share membership, advocacy and professional development news with our membership. In October, our e-newsletter, Affairs of State, was launched to further promote communications, along with a Company LinkedIn page and a twitter account.

Building on old relationships began in earnest with peer trade organizations, the New York Department of Financial Services and New York state legislators, and NAIFA-NYS joined with our industry colleagues at the LICONY annual Fall Conference held at the Otesaga in Cooperstown. Started in the shadow of the 9/11 atrocities (where, in the spirit of exhibiting strength through stability, Tom Workman and the leadership of LICONY decided to move forward with the inaugural meeting that October), the LICONY fall conference has become a staple of the insurance conference calendar.

NAIFA-NYS is pleased to be promoting important cooperation and collaboration among industry interests by participating in a joint committee/task force on agent licensing with the DFS and LICONY.

Of great significance, in November 2014 Amendment #3 to Reg. 60, which NAIFA-NYS proposed and assisted in drafting, was announced and became available for public comment.
After a brief hiatus, in-district legislative meetings commenced again late in the fall, and were kicked off with a lunch meeting with Congressman Greg Meeks in NYC. These types of meetings greatly assist in raising the awareness of our issues and industry, as was played out later in May 2015 when Congressman Meeks provided invaluable support in securing an extension to the comment period on the DOL Fiduciary Standard.

In November 2014, State Board members visited key Congressional representatives in Washington D.C. to advocate for NAIFA-NYS were signed into law by Governor Cuomo. The first gives the Life Insurance Company Guaranty Corporation improved ability to protect insurance consumers.

The second gives life insurers permission to pay out the accelerated death benefit applied for by a policyholder in a more timely manner than allowed by previous law.

The winter holidays provided more opportunities to focus on rebuilding membership and the NAIFA-NYS brand across the state and with affiliated stakeholders (IFNY, NAILBA, Life Supervisors, NYC Roundtable and LICONY). 2015 ushered in significant changes assuring further success.

On January 21st, Amendment #3 to Reg. 60 was placed on NYS Public Register with April 21st slated as the official date of enactment.

In February, NAIFA-NYS Executive Committee members were invited to attend the annual New York City LICONY Board meeting as guests and President Larry Holzberg was asked to present an update on the state of NAIFA in New York State. Additional statewide advocacy efforts focused on providing support to a Senate-initiated Interstate Compact bill (Seward). To further the rebuilding of local and regional relationships with members and legislators, NAIFA locals in the Capital District and Syracuse reintroduce the Legislative Breakfast program.

In May 2015, the annual NAIFA Congressional Conference was held in Washington DC (see page 26 for highlights). Twenty-plus NAIFA-NYS members from all regions of the state stormed the “Hill” to meet with both Senators’ offices and 18 New York Congressmen and women. At issue, the looming DOL Fiduciary standard and ensuring the continuation of the protected status of the products we provide to our clients – keeping Main Street America financially strong and independent.

Later in May, as the result of efforts by the outspoken New York City Comptroller, Scott Stringer, the NYS Assembly initiated its own bill related to the need for a separate New York State fiduciary standard. With the quick action of our lobbying staff, NAIFA-NYS was the first trade organization to formally comment on behalf of producers and the Industry.

As a part of the vision to further advance the efforts of the association undertaken in the 2014/2015 association fiscal year, NAIFA-NYS partnered with Park Strategies, LLC to enhance its government relations and administrative capabilities as the 2015/2016 fiscal year gets underway, led by former New York Insurance Superintendent, Gregory V. Serio.

Under the direction of Mr. Serio and his staff, plans for the future include increased New York State advocacy, coordinated membership meetings across the state, more local/regional legislative events to build on our network of grassroots support and relationships, events and activities to build on the “new to the industry Pilot Program” via statewide YAT events, and to orchestrate and re-christen the time-honored “Albany Day on the Hill” for Spring 2016.

These types of meetings greatly assist in raising the awareness of our issues and industry, as was played out later in May 2015 when Congressman Meeks provided invaluable support in securing an extension to the comment period on the DOL Fiduciary Standard.
New York Life has completed the acquisition, through reinsurance, of a net 60 percent interest in John Hancock Financial’s closed block, comprised primarily of participating whole life insurance policies. The transaction, which was initially announced in December 2014, has received all necessary regulatory approvals.

The closed block of 1.3 million in-force policies with a face amount of more than $25 billion was established in connection with John Hancock’s demutualization in 2000. Through reinsurance arrangements, New York Life has assumed $7 billion of statutory reserves. New York Life’s NYL Investors, LLC unit, which oversees the company’s general account investments, manages approximately $12 billion in new assets as a result of the deal. With these additional assets, New York Life’s general account assets now exceed $213 billion*, a record high for the company.

John Hancock, the U.S. division of Manulife Financial Corporation, will continue to administer the closed block policies, including paying claims and dividends. Terms of the transaction were not disclosed.

New York Life Chairman and CEO Ted Mathas said, “The conclusion of this transaction brings New York Life a significant infusion of high-quality, whole life insurance assets, which serves as a strategic complement to our large and stable block of participating whole life insurance policies protecting millions of American families. Our acquisition of these whole life policy assets underscores our strategic focus on, and commitment to, growing our life insurance business, the fundamental business of New York Life for the past 170 years.” Mr. Mathas noted that the company is interested in acquiring other blocks of high quality life insurance in the future.

Mr. Mathas continued, “Our company’s ratings for financial strength are substantially driven by our ability to maintain a thriving block of participating whole life insurance business. Together with our surplus and asset valuation reserve, a cushion of safety that now stands at more than $22 billion, New York Life’s financial strength is unsurpassed in the industry, as validated by the four major rating agencies. In fact, of the 800 life insurers operating in the United States today, New York Life is one of only two with the highest possible ratings for financial strength currently awarded by all four rating agencies.”

*Reflects cash and invested assets on a consolidated basis.

Willis Announces Longevity Risk Solution for Rising Pension Liabilities

Willis Group Holdings (NYSE: WSH) is able to provide a solution to help pension managers deal with the rising costs associated with increased life expectancy.

The innovative solution allows pension schemes to insure against the risk of a shortfall in their pension schemes caused by longer-than-forecast life expectancy – called “longevity risk” – through a captive insurance company. While there is little appetite for longevity risk protection from direct insurers, reinsurance companies are more interested in underwriting this risk because it offers a valuable hedge against other mortality risks in their portfolios. Pension schemes that establish their own captive have a direct link to this reinsurance capacity.

David Lewis, Director of Consulting for Willis’s Global Captive Practice, said: “The management of longevity risk has always been a key consideration for pension schemes. As life expectancy around the world continues to increase, many pension schemes suffer from a financial shortfall as their members claim benefits for decades longer than the fund originally anticipated or budgeted for.”

He continued: “This new captive solution offers pension schemes an efficient and cost effective mechanism for transferring longevity risk off their own balance sheets.”

Find more information at www.willis.com, our leadership journal, Resilience, or our up-to-the-minute blog on breaking news, WillisWire.
For years, there has been a great deal of speculation about the viability of Social Security and the demise of the traditional pension—major sources of retirement income for workers across the country. This “retirement security challenge” is being studied by many in and out of government, since the consequences could be far reaching for individuals, their families and the governments that serve them.

The life insurance industry is an important provider of retirement solutions and currently does so for millions and millions of Americans. Without the life insurance industry, as I have written this year in my column, insurance-related retirement options vanish and the retirement security challenge becomes even larger.

Viable Solutions from the Life Insurance Industry

There is no doubt that a challenge exists in ensuring that small business employees who may not have access to an employer-sponsored plan have a cost efficient way to save for retirement. The life insurance industry has the capacity and expertise to provide a wide range of retirement solutions for employees without an employer sponsored plan. Those employees can arrange for payroll deductions that are remitted to an IRA or individual annuity. There are many types of annuities and certain types contain an extensive selection of investment choices. To assist individuals in exploring their options, the life insurance industry provides tools and financial advisors throughout the retirement planning process.

The industry is financially strong—it pays $7 billion in annuity benefits alone to New Yorkers annually according to the ACLI\(^1\); it is heavily regulated with multiple levels of compliance; and it collectively has hundreds of years of experience. Without the life insurance industry, the challenge of finding reputable retirement plan providers could very well be insurmountable.

State and Local Government Actions

Legislation is being considered at the state and local levels around the country, including in New York City and New York State, that would establish pension funds for private sector employees. Driving these proposals is their well-intentioned desire to solve the retirement security challenge for many of their constituents that have little, if any, savings or other financial resources for their retirement years.

Of course, funding a government-sponsored private sector pension plan would be no small task. There would be significant start-up costs and administrative and compliance expenses that would inevitably require taxpayer funding to cover such expenditures. To keep costs at a minimum, the plan sponsor would have to limit the investment choices resulting in a less than optimal program for participants. In addition, a government-run retirement plan for private sector workers could create a significant liability for the state and potentially require the removal of crucial Federal protections for savers provided by ERISA. A government-sponsored plan would likely serve as a disincentive to private employers currently providing retirement plans to continue to fund those plans. More importantly, the question is whether the lower income employees these programs are primarily intended to benefit would be willing to save rather than spend their limited discretionary income on more immediate needs. The challenge of limited retirement savings can actually be traced to the more fundamental issues of high household debt and limited wage growth. Those, of course, are caused by having a national economy that is not robust, not by the lack of retirement funding choices.

Where Government Assistance is Needed

The life insurance industry is strong and ready to help New Yorkers plan for and fund their retirement years. There is no need for government intervention since there is no shortage of retirement product offerings. Government efforts would be better placed in creating a regulatory environment to incentivize employers to provide access to, and employees to secure, the retirement solutions that are already available in the marketplace.

I recommend that the focus be put on providing retirement planning information and education broadly to the public. The life insurance industry is prepared to work with policymakers and other stakeholders to demonstrate that the life insurance industry offers a wide range of retirement products that are cost effective, efficient, and beneficial to consumers, thereby avoiding additional, costly government bureaucracy.


Thomas E. Workman is the President and Chief Executive Officer of the Life Insurance Council of New York, Inc. LICONY is the principal voice of the life insurance industry in New York. LICONY works to create and maintain a legislative, regulatory, and judicial environment that encourages its members to conduct and grow their life insurance businesses here in New York State. For stories about New Yorkers who have benefitted greatly from purchasing the products of life insurers, go to www/licony.org, click on “Published Articles” in the NEWSROOM box on the homepage.
Amalgamated Life Launches Worksite Division

Amalgamated Life Insurance Company (White Plains, NY), a leading provider of insurance solutions including group life, disability, voluntary products and medical stop loss, announced the creation of a dedicated business unit to market its full line of worksite insurance products. The announcement comes at a time when demand is up for its worksite insurance products which include, Term Life, Whole Life, Individual Short-Term Disability, Critical Illness, Accident, Dental, Vision, AD&D and Legal. Amalgamated Life is marketing its worksite insurance products both through its nationwide broker network and direct to employers and unions.

Citing recent industry surveys illustrating growing interest in voluntary benefits, Amalgamated Life Executive Vice President, Sales and Marketing John Thornton, said, “While we’ve had a selection of worksite insurance solutions for some time, over the past two years we have expanded our line considerably. More recently, we recognized that to best meet growing demand, it was important to establish a distinct division with additional staff experienced in the worksite benefits.” Thornton noted that in the past six months, the Company has added several new staff members in key territories across the country to market its worksite/voluntary insurance products.

According to a recent survey conducted by the Eastbridge Consulting Group, Inc. (Avon, CT), 14% of the survey respondents indicated they were considering adding a new voluntary benefit to their employee offerings, 17% were thinking about transitioning some existing benefits to voluntary and another 12% were considering adding new partially employer-funded benefits. A LIMRA study also illustrated increased interest in worksite/voluntary products. It found that 15% of employers were either “very” or “extremely likely” to add a new voluntary benefit over the next couple of years and an estimated 25% were “somewhat likely.”

Thornton continued, “Employers are starting to recognize that worksite benefits have value that goes beyond giving their employees greater peace of mind and financial security. They also help a business demonstrate that it cares about its workforce; both important to boosting employee morale, productivity and retention rates.” He added that among the most popular worksite insurance products are vision and dental insurance, followed by short-term and long-term disability. Critical illness and accident insurance also are gaining.

New York Life Crosses $200 Billion in General Account Assets for the First Time in its History

Earlier this year New York Life’s general account, managed for the benefit of policyowners, exceeded $200 billion in assets for the first time in its 170-year history. New York Life’s expertise in managing general account assets is highly regarded throughout the industry, expertise which helped the company weather the financial crisis of 2008-09 with minimal impact. Through organic growth and as a result of this deal, New York Life has grown its general account assets by approximately $16 billion in 2015, for a record total today of more than $213 billion in cash and invested assets.

New York Life Insurance Company, a Fortune 100 company founded in 1845, is the largest mutual life insurance company in the United States* and one of the largest life insurers in the world. New York Life has the highest possible financial strength ratings currently awarded to any life insurer from all four of the major credit rating agencies: A.M. Best (A++), Fitch (AAA), Moody’s Investors Service (AAA), Standard & Poor’s (AA+).** Headquartered in New York City, New York Life’s family of companies offers life insurance, retirement income, investments and long-term care insurance. New York Life Investments*** provides institutional asset management.

*Based on revenue as reported by “Fortune 500 ranked within Industries, Insurance: Life, Health (Mutual),” Fortune magazine, 6/15/15. For methodology, please see http://fortune.com/fortune500/. **Individual independent rating agency commentary as of 7/1/15. ***New York Life Investments is a service mark used by New York Life Investment Management Holdings LLC and its subsidiary, New York Life Investment Management LLC.
Licensed Agents Gain International “OK”

By Casey O’Brien

ALBANY, NY - New York State, a hub of international business and many multinational institutions will permit a licensed insurance broker to engage in activities with respect to the issuance of certain group policies or contracts by an alien insurer to certain multinational corporations. The bill signed by the Governor, was sponsored by Senator James L. Seward (R/C/I-Cayuga) and Assemblyman Kevin A. Cahill (D/WF-Dutchess).

“The bill is in response to a settlement between the DFS and MetLife from last year in which DFS fined two MetLife subsidiaries for soliciting business in the states without having a license. MetLife subsidiaries had sold insurance to large multinational companies for employees working overseas. This bill would permit licensed insurance brokers to have meetings and discussions in New York with multinational clients with respect to group life, group annuity, or group accident and health insurance policies issued by an alien insurer to the multinational outside of the United States and where the policy covers the multinational’s employees who reside outside of the U.S.,” explained Michael Barrett, President of Barrett Associates, and Jill R. Muratori, Vice President and Counsel of Barrett Associates.

“The bill would continue to protect policyholders and certificate holders while allowing insurers to best meet the needs of their New York customers with a global presence, thereby allowing New York to continue functioning as a center of international business.”

ShelterPoint Life Partners with National Vision Administrators

Great Neck, NY — ShelterPoint Life Insurance Company is partnering with National Vision Administrators, L.L.C. (NVA), one of the largest national vision networks and benefit administrators, to provide enhanced network benefits and claims processing capabilities for its policyholders.

The partnership allows ShelterPoint to leverage NVA’s negotiating power to reduce the cost of its vision benefits for its members by utilizing NVA’s national network of over 40,000 eye care professionals, including retailers and independent doctors.

ShelterPoint will have the flexibility to create custom plans based on the individual needs of its clients. In addition, ShelterPoint’s members will have access to NVA’s stellar vision benefits administration practices and a live 24/7/365 call center.

“We’re excited about partnering with a long-established leader in vision benefits,” said Richard White, CEO of ShelterPoint, “and NVA is the perfect fit for our wider mission of keeping group benefits simple and to-the-point for all of our small business clients.”

The NVA vision plans will be available beginning July 1, 2015. The ShelterPoint family of companies consists of ShelterPoint Life Insurance Company (formerly First Rehab Life) and ShelterPoint Insurance Company. ShelterPoint Life was founded in 1972.

Rizzo Appointed to Sales VP at Associated Life

Associated Life Brokerage, Inc. is proud to announce and welcome Jason Rizzo, Sales Vice President, as an additional sales resource to our independent distribution.

Mr. Rizzo has been in the insurance field for more than 16 years, and is well-versed in the areas of high-end estate, business and retirement planning. He is committed to assisting financial advisors achieve greater success by partnering with them to help their clients build, preserve and distribute wealth.

Mr. Rizzo’s expertise is providing comprehensive and customized insurance solutions to financial advisors and their clients.

He is Certified in Long Term Care (CLTC) and holds Series 6 and 63 designations.
The 97th Annual NAIFA-NYS State of the State Conference – held in May at the beautiful Hotel Thayer on the grounds of the U.S. Military Academy at West Point – was a success by any definition of that term. The conference opened with welcoming messages from NAIFA leadership and inspiring presentations by some true American heroes, setting the right tone for the conference’s theme of leadership.

The proceedings started with a tandem presentation by former Army Colonel and current state senator William Larkin, representing the West Point area and one of the foremost experts on the institution, and Cadet Regiment Commander David Grossman – a West Point senior and soon-to-be second lieutenant in the Army. This breakfast talk was followed by Don Trone, a former Coast Guard helicopter pilot, founder and CEO of fi360, founder and president of the Foundation for Fiduciary Studies, and the first person to head the Institute for Leadership at the U.S. Coast Guard Academy. All three presenters not only made important points about leadership in business, but were themselves examples of successful leaders in their chosen fields.

Former New York Superintendent of Insurance, Gregory V. Serio addressed the group on leadership in the regulatory field, an important issue for all licensed entities. He was joined at the conference by former senior deputy superintendent Peter Molinaro, and John Hurley, both colleagues at Park Strategies, LLC of New York, Washington and Albany. I am pleased that they were able to join us, and that they will be taking a leadership role in the administration of our great association.

A headlining presentation was made by the Life Insurance Council of New York (LICONY) Chairman, David Walsh, president of Amalgamated Life Insurance Company of New York. The program was rounded out by remarks from NAIFA National Senior Vice President of Government Affairs, Diane Boyle.

The annual awards banquet was keynoted by retired Colonel Donald Bernstein, former deputy superintendent of West Point and current JROTC commander with the Minisink Valley School District. Colonel Bernstein provided an informative history of West Point as well as further insights into the challenges of leadership.

The awards program recognized a geographic mix of great NAIFA-NYS officers and supporters, including: Robert Fashano, CLU, ChFC, MSFS (Buffalo, NY), who received the coveted Spencer McCarty Award for his outstanding contributions and meritorious service to the institution of life and health insurance over his 42 years of continuous NAIFA membership.

Kevin Mulqueen, CLU,
Michael Caron, LUTCF (Syracuse, NY), who received the Ben Brewster Government Affairs Award for his dedication in working on behalf of the NAIFA-NYS’s Advocacy mission and encouraging member involvement in the government relations process during his 32 years of membership.

Special recognition was given at the conclusion of the awards ceremony to NAIFA-NYS past president, Peter C. Browne, LUTCF (New York City, Hastings on Hudson and Sodus Point, NY), a 50-year member of the organization, who, it was announced, will be honored by NAIFA’s national organization with the prestigious John Newton Russell Memorial Award (JNR) at its Annual Career Conference on October 4th, 2015 in New Orleans. The JNR Memorial Award is the highest honor that can be bestowed upon an individual in the life insurance and financial planning industry and recognizes a lifetime of professional excellence, service to the industry and a commitment to ethical conduct. News of Browne’s selection as the 2015 Russell Award was met with a standing ovation by all in attendance at the dinner.

You could not have asked for a better location to bring our leaders together to talk about leadership than the U.S Military Academy. As embodied in Senator Larkin, Cadet Commander Goldstein and Colonel Bernstein, who have all contributed a tremendous service to our nation, our conference theme of leadership has both inspired and motivated our conferees, as I know you will see in the coming weeks and months.

There was and continues to be much to celebrate and our successes have been numerous over the year. Thank you one and all, and a particular word of appreciation to Melissa McGrath and Mark Yavornitzki, who continue to serve our membership in so many ways.

NAIFA is your association. And there is a collective responsibility to see that it continues to thrive for another 125 years! Happy 125th NAIFA and Happy 96th NAIFA-NYS.
King v. Burwell: The Fix Was Definitely In

The U.S. Supreme Court ruled for the administration in King v. Burwell. I was not surprised by the decision, but that doesn’t mean I am not deeply disappointed. I am.

Beyond the ramifications for the continuation of the abominable Obamacare, the obvious truth is that we are being ruled by a corrupt oligarchy that includes the majority of the Supreme Court. This was driven home on Friday by the discovery by Justice Anthony Kennedy of a right to same-sex marriage in the “shadows and penumbras” of the Constitution, which will certainly ignite another never-ending culture war in the country.

Further legal challenges to federal over-reaching are likely to fail. There are constitutional remedies to this tyranny, as Senator Ted Cruz points out, including action by Congress to either impeach members of the Court, or to limit the Court’s jurisdiction. Neither of those options is feasible, given current lily-livered Republican leadership, and of course, a presidential veto. This leaves a constitutional amendment to overturn the decision, originating either in Congress, or in a convention of the states, as specified in Article V.

We are living, as says radio host Mark Levin, in a “post-constitutional republic,” where rules and laws are concocted by a small group of elites, either unelected or elected in perpetuity by a tiny fraction of the electorate, and who are unresponsive to the will of the people.

What does this decision mean for the medical profession, and for those who depend on us for care? We are in dire straits!

Obamacare, and more recently the Medicare Access and CHIP Reauthorization Act (MACRA) solidify bureaucratic control over the practice of medicine. We have already seen the widespread closing of private practices, with now over two-thirds of physicians working under a hospital umbrella. Those who remain private are under immense pressure, both financial and regulatory, and many will fold their tents. In addition to rigid price controls on their fees, there are never-ending requirements for documentation via the electronic health record of personal clinical details, to be used eventually to centrally direct care.

MACRA cements into place various payment schemes such as bundling, accountable care organizations (ACOs), and other forms of “payment-for-outcomes,” that will be applied to the Medicare program, and ultimately to private insurance.

All of these systems create financial disincentives to caring for truly sick patients, and will have a devastating effect. Patients will be increasingly subjected to one-size-fits-all care, dictated by algorithms inserted into the electronic health record. These will be created by professional groups, such as the American Medical Association, the American College of Physicians, and the American Board of Internal Medicine, and will be labeled as “evidence-based,” or “best practices.”

This will lead to even greater over-prescription of statins, anti-hypertensives, and diabetes medications, based on achieving certain numerical “targets.” Many individual patients will certainly be harmed by this approach.

To maximize revenue, physicians will dutifully click on boxes and comply with the central mandates. Thus will fade the Hippocratic ethic to render their best judgment on behalf of their patients. Over time, the medical profession will devolve from a science-based art into a trade requiring less training and less experience. Doctors are already being indoctrinated away from a commitment to individual patients and towards allegiance to the state, or to “society.” This should be of grave concern to all of us.

To defend what is left of the private, independent practice of medicine, doctors will have to “opt out” of official, government medicine, and go back to the days when we worked for, and were paid by, our patients. This will allow the continued delivery of high quality, personalized care, and the survival of Hippocratic medicine for future generations of physicians.

And given the tyrannical nature of our government, doctors need to opt out while they still can. It is not inconceivable that the federal government would, completely without authority and violating the 10th Amendment insuring state sovereignty, federalize all state medical boards. They could then institute a federal medical license, and make licensure conditional on agreeing to accept all government insurance as full payment. We need a critical mass.

And who would stop such a move? Clearly not the Roberts Court!

Richard Amerling, MD is an Associate Professor of Clinical Medicine and an academic nephrologist at Mount Sinai Beth Israel in New York. Dr. Amerling received an MD from the Catholic University of Louvain in 1981. He completed a medical residency at the New York Hospital Queens and a nephrology fellowship at the Hospital of the University of Pennsylvania. He is president of the Association of American Physicians and Surgeons and authored Physicians’ Declaration of Independe
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